

















# Aid cut creates problems for U.S. manufacturers

**BY GUY DE JONQUIERES**  
**WASHINGTON, Nov. 3.**  
THE defeat of the U.S. Foreign aid bill and uncertainty over whether and how it will be resurrected have raised financial problems for American manufacturers and shipping industries as well as for developing countries. According to the Agency for International Development, an arm of the State Department, contracts for bilateral aid programmes provided business worth almost \$1,000m. for American companies during the fiscal year just ended. Among the major sales categories were chemicals (\$160m.) and iron and steel products (\$108m.). By contrast, only \$20m. of products were procured from foreign sources. Military aid programmes, which constituted a large part of the assistance provided by the defeated Bill, gave rise to a large volume of business for the aerospace industry. Last night, the Pentagon disclosed that it has had to suspend temporarily contracts worth \$175m. for aircraft and air frames from McDonnell Douglas. Two other contracts, totalling more than \$150m., had been awarded to Lockheed and Bell helicopters, and are now in question. While any loss of business comes as a blow to the aerospace industry, which has been reduced to a precarious condition during the last three years, impact is on smaller companies which relied on aid business for a large part of their turnover. One example is a rice and soybean company in Arkansas, which counts on getting between \$8m. and \$7m. in aid business each year. This represents about a quarter of its total sales. The veto of the aid Bill also creates further difficulties for American shipping lines, which are already beset by financial problems and rely on Government work for the bulk of their business. By law, 50 per cent. of all aid-originated cargo must be carried in American holds operated by American lines, and the Federal Maritime Administration has been seeking to raise the level to well above this. Last year, the three major aid cargo contracts to American shipping companies totalled \$30m. Already weakened by cost inflation and the impact of the U.S. dock strikes, U.S. operators can ill-afford to lose business of this value.

# Japan offers new concessions

**BY PAUL LEWIS, U.S. EDITOR**  
**WASHINGTON, Nov. 3.**  
THE U.S. and Japan have reached a new stage in their dispute over trade and the world monetary crisis. It is understood that the Japanese have recently come up with a new list of concessions they might be willing to exchange for the lifting of the American import surcharge. Although the list is not entirely acceptable to Washington as it stands, American negotiators have been pleased by its broad outlines and feel that it could provide the basis for a settlement. Details of the Japanese offer remain obscure. But in addition to the parity issue it concentrates on the specific and tangible trade concessions that the U.S. is also seeking as its price for the surcharge removal. This development provides a small gleam of hope as the U.S. Treasury Secretary, Mr. John Connally, arrives in Tokyo to discuss the economic crisis with Japanese leaders. It thus raises the possibility that Mr. Connally may be able to hold substantive and fruitful negotiations during his stay. If as a result of these and other diplomatic contacts the outlines of a settlement with Japan were to emerge, then the U.S. would be in a stronger position to bring pressure to bear on the Europeans at the ministerial meeting of the Group of Ten later this month. At the moment there is a good deal of doubt and confusion about the prospects for these talks following the unsatisfactory discussions between the deputies of the Ten in Paris last month. There is also fear that another fruitless meeting at the highest level would lead to positions becoming even more entrenched and deal a further blow to economic confidence generally. But if the U.S. Treasury Secretary is able to make some real progress with the Japanese over the next few days, he could then enlist them as allies in pressuring the Europeans to reach an agreement quickly. The U.S. could strengthen its hand further, if it were also able to sketch out the main lines of a settlement with the Canadians who together with Japan provide the main counter-part to the U.S. deficit. The idea of a bilateral approach to the surcharges removal is far from dead here and it is said at the highest level that if all else fails, the U.S. could easily make separate deals with Japan, Canada and Latin America leaving the Europeans isolated.

# Off-year elections give no clue to Presidency

**BY JUREK MARTIN**  
**NEW YORK, Nov. 3.**  
YESTERDAY'S smattering of off-year elections across the U.S. provided pretty thin pickings for those looking for pointers to next year's presidential battle. Local issues predominated and national trends were hard to discern though, in a very general sense, it could be tentatively said that the conservative element did rather better and the Blacks rather worse than had been anticipated. In Philadelphia, for example, the law and order policeman Mr. Frank Rizzo, running as a Democrat, beat his liberal Republican opponent, Mr. Thatcher Longstreth, by nearly 50,000 votes in a total poll of nearly three quarters of a million. Mr. Longstreth had attracted a lot of support from the Third of the Philadelphia population that is black, while Mr. Rizzo's power base lay in the white working class areas. In Cleveland, too, Mr. Ralph Perk, a Republican, drew on similar wells of support to overcome a black man, Mr. Arnold Shankman, who was the personal choice of the outgoing Mayor, Mr. Carl Stokes, who had been endeavouring to put together an effective black-based coalition to take over from him. On the other hand, in Boston, the incumbent Democrat Mayor, Mr. Kevin White, easily turned back Mrs. Louise Day Hicks, the Congresswoman who is a noted exponent of "backlash" politics. Throughout the country, in fact, it was difficult to pick out other than the spottiest of trends—a Democrat upset the incumbent Republican Mayor in Bloomington, Indiana, while a well known Republican Mayor, Mr. Richard Lugar, a fervent supporter of President Nixon, easily beat a Democratic challenger in Indianapolis. A few elections were worthy of special mention. Mr. Charles Evers, the black mayor of the small town of Fayette in Mississippi, was outvoted by three to one in his attempt to win the governorship of that State by a Democrat, Mr. Waller, who had, by the standards of that area, waged a low profile moderate campaign. That Mr. Evers was defeated is not surprising; what remains to be seen is how far of his defeat will discourage potential black candidates for office in the deep south. The Governor's race in Kentucky has acquired a reputation for being an accurate forerunner of national trends: in both 1958 and 1967 the State House in Louisville changed political hands just as the White House did a year later. If this should be so, then the Democrats will be happy to-day for Lieutenant Governor Wendell Ford, a Democrat, who said that his campaign was the first stage in a national "dump Nixon movement," knocked off a variety of challengers led by a Republican. However, most reports from Kentucky suggest that this was a pallid race with few keys to the national future. Finally, Mr. Joseph Alioto, the Mayor of San Francisco, succeeded in overcoming all the adverse publicity that has come his way in the last two years as a result of magazine articles on his alleged Mafia connections and court cases concerning his activities in the State of Washington by gaining re-election to a second four year term. His two opponents, one Liberal, one Conservative, split more than half the vote between them. The voters of San Francisco, whose greatest passion in life is the task of preserving their beautiful urban skyline, also defeated a proposal that would have effectively prevented the construction of all tall buildings in the city.

# Taiwan drawing from IMF before UN vote

**By Paul Lewis, U.S. Editor**  
**WASHINGTON, Nov. 3.**  
THE TAIWAN Government drew \$89.9m. in hard currency from the International Monetary Fund only a few days before its expulsion from the United Nations. This comprised the whole of its automatic gold tranche credit rights and means that it has only deposits of soft Taiwan dollars left with the Fund. The move is seen as a protective gesture against the danger that Taiwan will be expelled from the IMF and its sister organisation the World Bank, and its seat offered to Peking instead. In this case Taiwan would go out into the cold with its original gold deposit in its own hands. However, the U.S. is understood to have made clear that it will support Taiwan's continued membership of these and other so-called specialised United Nations agencies and has asked Taipei to draw up a list of those of most value to it.

## DESEGREGATING U.S. SCHOOLS

# Liberals get off the bus

BY SARAH RIDDELL IN WASHINGTON

THE START of a new school year this autumn marks another round in the long struggle for racial integration in the U.S. As State schools across the country reopened their doors last month, fears of violence following the Supreme Court's decision on school busing—taking children away from neighbourhood schools and distributing them to get a racial balance—earlier in the year proved greatly exaggerated. However, to-day there are signs that a growing number of Americans, from widely disparate groups, face the husing of their children with alarm, if not outright hostility. In the last decade the weight of public opinion in favour of school integration appears to have shifted. Much of the early enthusiasm of the freedom marchers in the South during the 1960s has been exhausted. Many liberals, taking their cue from a growing Black militancy, have abandoned their original support for the idea. Others, faced with the reality of husing their own children, have opted for private education. Ethnic minorities, such as the Chinese and Mexican-Americans, are beginning to echo the separatist interests of the Black Power movement. Meanwhile, the ranks of those who oppose school integration have swollen under the impact of judicial decisions affecting a wider spectrum of people in the North as well as the South.

## Deteriorates

In the South the changes were made relatively quietly. After years of efforts to block the courts and resist the tide of desegregation, many southerners now appear to have resigned themselves to the inevitable. For the first time this year the Department of Health, Education and Welfare proclaims integration in the South to be "the rule and not the exception." Recently released figures from the department reveal the remarkable progress made in the South in the last couple of years. In 1968 it estimated that 68 per cent. of Black children went to all-Black schools; this year the figure has dropped to under 14 per cent. The proportion of Black children attending majority White schools has risen by 18 to 40 per cent. in the same period. The same survey shows that the degree of segregation is even higher in the north; 23 per cent. of Black children go to all-Black schools. In several industrial cities such as New York, Boston, Pittsburgh and Cleveland, the situation has actually deteriorated in the last few years.

Although the Supreme Court's decision does not apply directly to the north, federal judges have ordered the dismantling of the dual school system "with all deliberate speed." It was not until the last couple of years that

## Minimum

Proponents of busing, however, point to evidence in a variety of sociological studies that show children from culturally deprived backgrounds improve their academic performance when put aside by side with White children. There is no evidence, however, that the standards of the White children suffer. With the approach of an election year, the arguments will be carried into the political arena. President Nixon has recently instructed that busing be held "to the minimum required by law." A small group of Republicans has gone so far as to suggest that the constitution should be changed to exclude busing. Meanwhile, the shift in public opinion, together with the erosion of liberal support, also suggests that few Democrats will be keen to make an issue out of it. For the time being, this leaves the courts alone in the struggle to push forward towards a more fully integrated school system.

## Diehard

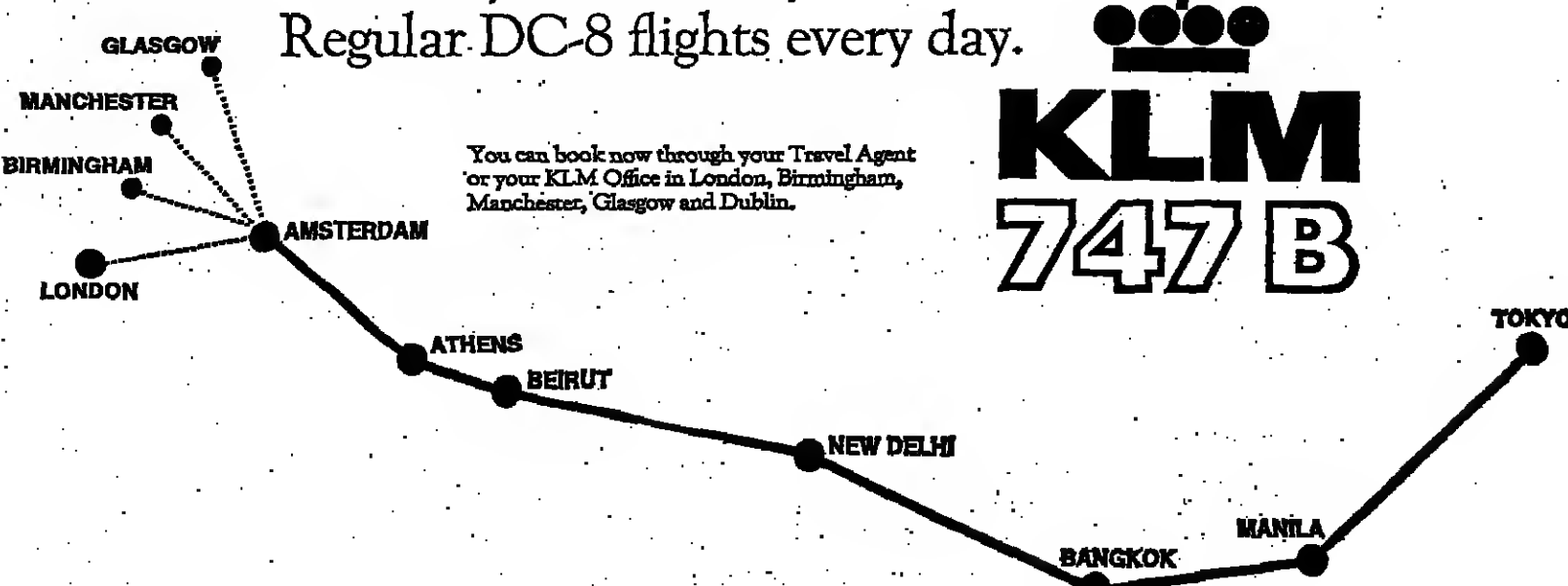
In the South, of course, there have always been diehard segregationists opposed to racial integration. Many of them still with Governor Wallace of Alabama, hold the entire Federal judiciary in "utmost contempt." It was against this body of opinion, expressed in the separate schooling of Black and White children by law, that the historic desegregation ruling of the Supreme Court was directed in 1954. Although the court had ordered the 11 states of the South to dismantle the dual school system "with all deliberate speed," it was not until the last couple of years that

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## N & HM Goulding Limited 1970/71 from the Chairman's statement:

"The figures for our past year of business, which ended with June of 1971, are no longer emaciated. We made a million."

But prescription of correct weight for height would show that earnings of £1,076,000 are not stout enough or a working body of £11,000,000 invested. We must still put on weight."

THE YEAR IN BRIEF	1971	1970
Group Turnover	18,915,549	16,763,821
Profit before Taxation	1,075,727	581,239
Profit after Taxation, applicable to Shareholders of N & H M Goulding Limited	516,749	246,356
Percentage return on Capital employed (before taxation)	9.81p	5.47p
Earnings per Share after Taxation	5.1p	2.3p
Dividend per Share after Taxation	1.95p	1.3p
Capital distribution per Share	0.75p	1.0p

"You wish to know whether we will do well this current year? I expect it."  
"With our capacious plants, sharp techniques and ostings, a sturdy sales barque in a near market, only two factors threaten—dumped goods and humped costs. Exorcising these is useless; but we shall have a well-timed shot at beating them."

**Goulding**  
Fitzwilliam House, Wilton Place, Dublin 2.

"Members of the public who would be interested in receiving a copy of the Chairman's Report and Statement of Accounts are invited to write to the Secretary, who has a limited number of copies available."



## Export News

## £5m. Kenya debut for Walmsleys

WALMSLEYS the Bury-based papermaker's engineers have won a £5m. order for the supply of two papermaking machines for Panafrik Paper Mills at Broderick Falls, Kenya.

The machines and ancillary equipment will be supplied to an integrated pulp and paper mill now under construction.

Lazard Brothers has signed a Financial Agreement for £4.25m. with the Kenyan company in support of the contract which carries ECGD guarantee.

The funds are being provided by a consortium of banks led by Lazard and comprising Barclays, Lloyds, Midland, National Westminster and Williams and Glyn's.

The £40m. project at Broderick Falls, which is expected to start production in the second half of 1974, is the result of multinational co-operation. The Government of Kenya and various East African institutions are making loans, the World Bank's International Finance Corporation is making loans and taking an equity investment in the project; further support is being provided by the African Development Bank and Orient Paper Mills of India, with the latter also providing management services, while Simons Eastern of Georgia, U.S., is acting as consulting engineers.

It is the Bury company's first contract in Kenya.

## Mary Quant

A KNOW-HOW agreement has been signed between Mary Quant and Shemen Industries of Haifa whereby Mary Quant cosmetics will be produced in Israel both for the local market and designated export markets.

## DEALING WITH EASTERN EUROPE

## Petrocarbon set to build Polish Corfam plant

BY JOHN TRAFFORD

Petrocarbon Developments, the Manchester-based subsidiary of Burnham Oil, is to build a £4m. natural gas separation and helium liquefaction plant at Ostrow Poznański in south western Poland using a novel process which it has developed.

The value of the contract to Petrocarbon — which will be charged with process design, engineering, supervision of erection and start-up — will be about £2.75m. The contract will be executed in co-operation with Polimex and the Polish Gas Union which will be responsible for gas collection from the adjacent gas field, civil engineering and off-site facilities. The new plant should start production in mid-1974.

This is the fifth contract won by Petrocarbon in Poland during the past two years and is by far the largest. Bids were tendered by 18 other contractors for the plant.

Trade sources were suggesting last night that a further Polish contract for Petrocarbon might well be announced in the near future, this one covering an £5m. synthetic leather plant based on Du Pont's Corfam technology.

Du Pont announced in the spring that it was withdrawing from Corfam production and has since then been involved in discussions with a number of companies interested in buying its plant at Old Hickory, Tennessee, or in obtaining rights to the process.

The Petrocarbon process used in the plant converts low grade natural gas into a rich methane fuel gas and liquid helium. The plant's helium capacity will be two and a half times as great as present demand in Western Europe.

## BRITISH LEYLAND IN ISRAEL

## Receivers for Autocars

BY OUR OWN CORRESPONDENT

TEL AVIV, Nov. 3.

FOUR local banks to-day applied to the Tel Aviv District Court for the appointment of a Receiver for the appointment of a Receiver to take over the three plants belonging to Autocars in which British Leyland is a 20 per cent partner.

They are: The Israel Industrial Development Bank, Bank Hapoalim, Bank Leumi, and Bank Mizrahi. A separate application for the appointment of a Receiver was lodged by Barclays DCO to whom Autocars owes the equivalent of £700,000. Joint Receivers have been appointed.

The debts of Autocars are believed to be around £5m. The loans extended to the company by the banks appeared to be secured largely by its plant and equipment but smaller creditors are in a far more precarious position.

Teams appointed by the Receivers are already in the plant. The company's labour force of 1,700 will be sent on several days' leave during stock-taking.

However it is hoped that the plants will resume production probably with a smaller labour force and a work plan is to be drawn up by the Receivers.



## How to make progress at £80 a foot

The grinding edge of the machine in the picture is the front end of a 125-foot-long monstrosity used for tunnelling. It takes up to 12 men to operate and has a top speed on the job of 40 feet for a 12-hour stint. An 11-foot-diameter tunnel works out at a cost of about £250 a yard.

The device, a Cavell tunnelling machine, was bought by the Godalming contractor, Streeters, from the U.S. manufacturer in 1966 for £114,000. During work at Coventry it was fully depreciated, and now Streeters has sold it to Switzerland for £35,000.

It will be used by Enterprise Murer SA to dig two parallel tunnels diameter 3.45 metres, 7,500 feet long, under Geneva to handle storm water and city facilities.

The job is expected to take two years, and Streeters is supplying the know-how to work the machine and training for the Enterprise Murer workers.

Under Geneva the machine is expected to set below the water table and the U.K. company is standing by to supply the workers to operate the machine in conditions uncongenial to the bulk of the Italian work force on site.

## LATIN AMERICA—BRAZIL

## \$15,000m. to spend

DURING a recent visit to London, Brazilian Commerce Minister Senor Pradine de Moraes announced that bids to supply equipment for Brazil's steel expansion plan which involves imports worth more than \$500m. would be open on a completely competitive basis. The minister's statement illustrates two aspects of Brazilian development in the 70s which will interest U.K. exporters.

The first is the sheer magnitude of the country's investment plans. In addition to the steel programme, massive investments are scheduled for the transportation, energy, mining and industrial sectors. The Transamazon highway, which will cut across 5,000km. of tropical rainforest, is one of the more audacious highway projects; in all, investments amounting to more than \$2,000m. in rail, highway, water and air transport have been planned for the 1970-73 quadriennium.

## Credit standing

During the same period more than \$2,500m. are to be invested in electric energy, \$1,500m. in petroleum, \$950m. in mining, and more than \$4,000m. in industry, primarily steel and chemicals.

Other major investment areas are communications, to which some \$800m. have been allocated, and civil construction, primarily housing, with over \$2,900m. Undoubtedly enough, locally produced goods will be used in these projects whenever possible, but, as the steel programme shows, the plans include a sizeable import component.

The second point made by Senor Pradine de Moraes reflects Brazil's improved credit standing in international financial circles. This has made a wider range of financing available to the country over the last three years, allowing it to show greater independence and selectivity when shopping for imports.

## Competition

There is no doubt that, in this respect, Brazil has benefited from the competition for export markets among the major industrial nations, competition which often takes the form of export financing terms.

But major responsibility for the country's privileged position lies with Brazil itself. A sophisticated combination of flexible exchange rates, aggressive export policies and conscientious foreign debt management, together with the development of regulatory under which Brazilian companies have access to international financial markets, has allowed the country to amass reserves of over \$1,400m., the highest in Latin America and one of the highest in the developing world.

Brazilians have not been slow to take advantage of available credit facilities. Official sources

Theodore Seidl, head of the Bank of Boston's Latin American department, points out that Brazil's growing credit worthiness makes it an important export market. The role of the City of London in providing finance for its massive development programme, gives U.K. companies a competitive edge, he maintains.

report that the country's total foreign debt as of the end of 1970 stood at \$5,285.2m. of which \$1,235.3m. had maturities of less than one year, \$1,661.9m. matures between the beginning of 1972 and the end of 1975, and the remainder stretches until the turn of the century.

Medium and long-term credits, from suppliers as well as development agencies, are expected to continue to rise. On the basis of projects currently being considered by international and bilateral agencies, it is estimated that new loans to Brazil from these sources are likely to be approved at an annual rate of approximately \$490m. over the next few years.

If such financing continues at this rate, the remaining borrowings required to ensure a reasonable rate of development could take the form of suppliers' credits without giving rise to debt management difficulties.

Major trade credits, involving long-term credit for large amounts, probably will continue to require the backing of government.

## BUSINESS IN BRIEF

The Government of Bahrain has signed a contract worth nearly \$2m. with International Aeradio for the provision of aviation technical services at Bahrain International Airport. The contract becomes effective from January 1, 1972 and replaces the previous arrangement with the U.K. Department of Trade and Industry whereby IAL has provided technical services at the airport since 1947.

Under the contract, a total of nearly 500 staff with the necessary qualifications and experience will undertake the operation of the technical services at the airport. Of this total, more than three quarters will be Bahrainis who will be trained to undertake increasingly responsible positions in the course of the contract.

Services include the provision of the air traffic control, and the provision of a domestic fire service at Muharraq Island on which the airport is situated, an apron marshalling service, and a section including publishing of Bahrain Aeronautical Information Publication.

Operation of the meteorological service, including the principal meteorological office at the airport office, the maintenance of the telecommunication equipment and radio aids will also be undertaken.

Caligen Foam has formed a branch in Tessenander, Belgium, where a peeling plant has been established in order to produce foam for the laminating in the composite Common Market.

## Transvaal Consolidated Land &amp; Exploration Company, Limited

(Incorporated in the Republic of South Africa)

The following is from the review by the Chairman, Mr. T. Reekie, dated 28th October, 1971, which has been circulated to members together with the Report of the Directors and the Annual Report and Accounts for the year ended 30th June, 1971.

Since the preliminary estimates for the year were published in mid-June certain developments have affected the financial results as audited. The oil venture expenditure, previously dealt with as a non-recurring charge against revenue reserves, has been included in the exploration and development expenditure for the year. Secondly, the acquisition of the outstanding 50 per cent interest in the Millsell chrome mining company, making it a wholly-owned subsidiary at 30th June, 1971, increased the working profit from mining. The full amount of the Millsell company profit has been included to indicate the possible results in a full normal year for T.C.L., while the pre-acquisition half of its profits and revenue reserves attributable to previous ownership is shown as an adjustment at a later stage in the profit and loss account. Thirdly, as mentioned in the directors' report, a revaluation of the share and loan investment totalling R1,067,000 in the Middelburg Steel and Alloys company required the writing off, as a special depreciation against the unappropriated profits of R881,000.

As the T.C. Lands group has in hand programmes to expand production capacity in the mining fields of both coal and chrome the capital expenditure involved in these projects required greater liquidity by the parent company. Advantage was therefore taken on occasions when market conditions were favourable to realise certain holdings and to reduce others.

T.C.L.'s shareholdings in chrome mining, increased by the subscription of shares in an increase of capital by Winterville (T.C.L.) Chrome Mines (Proprietary) Limited and the acquisition of full ownership of Millsell Chrome Mines (Proprietary) Limited, is an investment which is now yielding eminently satisfactory results.

The Douglas and Van Dyks Drift Collieries together produced 2,326,911 metric tons of saleable coal during the year. During the three months July/September, 1971, the sales output of these two collieries totalled 565,849 metric tons compared with 548,253 metric tons sold in the same period in 1970. Although sales output showed an increase, rail transport continued to be a most sensitive factor while profitability was further affected by the rapidly increasing costs of labour and materials. Increases in the controlled prices of the industry's products are now due and are at present under discussion with the authorities. I consider that the review of controlled prices could, with advantage to producers and consumers generally, be officially undertaken biennially. Cost factors in the industry can seriously affect profitability at short notice and price adjustments, when granted, are not ordinarily back-dated under the existing procedures.

In order to improve the efficiencies and productive capacity of the colliery and in anticipation of installing mechanised equipment in due course at Van Dyks Drift Colliery it has been decided since the year-end to commence sinking a new incline shaft to a depth of approximately sixty metres below surface at an initial cost of R90,000. Dividends from the Brakspruit company for the year ended 30th June, 1971, totalled R366,000 compared with R903,000 for the previous 12 month period. The dividend rates have been adversely affected by the reduction in the producer's price of platinum by \$10

an ounce from February, 1971, onwards, and by the suspension of all royalty payments and shipments of both matte and concentrates for a period of five weeks during March and April, 1971, as a result of a strike at the refinery in America. Royalty receipts were also affected by increased railage rates.

During the year production again increased at all three chrome mines and demand for chrome of all grades remained at a high level. Further expansions in productive capacity are being planned to meet the additional requirements of the local and overseas markets. The slowing-down of economic activity in Japan and the United States in particular could have an effect on demand in the forthcoming year but a significant percentage of the production of all three mines has been committed under long-term contracts.

Local sales to Middelburg Steel and Alloys (Proprietary) Limited increased during the year as the result of increasing overseas demand for ferrochrome. During September, 1971, announcements were published regarding the share and loan investment made in the M.S.A. company. That company's profitability and liquidity has been drastically affected by a slump in the world stainless steel market but it should be noted that, as the ferrochrome side of the Middelburg operation is not to be reduced and is operating profitably, it is considered that there will as present be no change in the chrome ore requirements from this company's subsidiary Winterville (T.C.L.) Chrome Mines (Proprietary) Limited.

T.C. Lands has also conducted exploration and evaluation programmes on certain of its undeveloped chrome resources with a view to possible exploitation when required in the future.

Royalties continue to be received from the mining, on a tribute basis, of various deposits on certain of the company's mineral properties. Chief of these is the amosite asbestos deposit at Penge in the north-eastern Transvaal which is tributed by the Cape Asbestos subsidiary, Egneep (Proprietary) Limited.

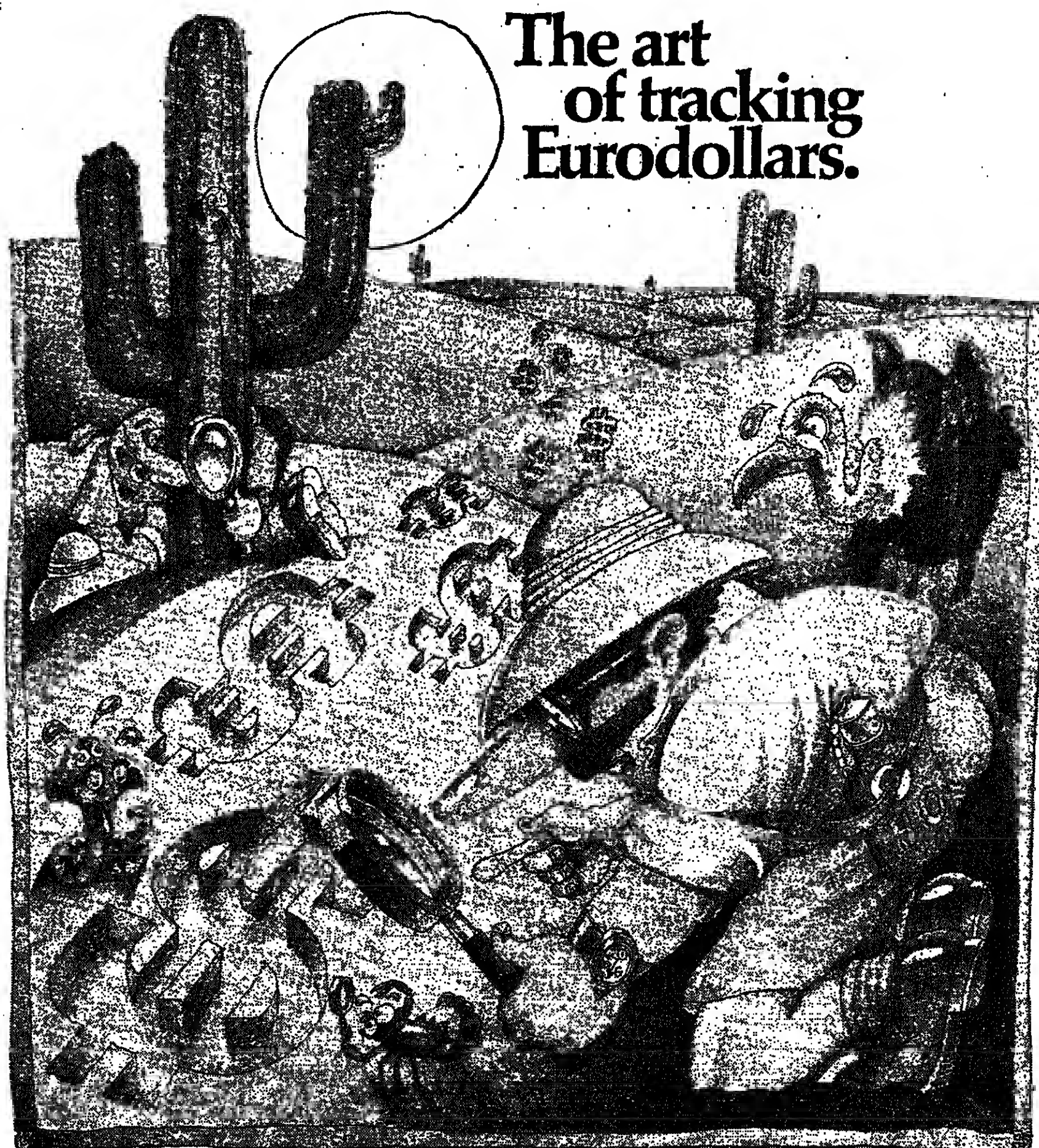
The geological exploration and evaluation of the company's mineral properties again made progress during the past year and a programme on a somewhat larger scale is envisaged for the current year.

With regard to the company's participation in the Mossel Bay/Plettenberg Bay offshore oil venture, the exploratory drilling undertaken by the Rand Mines-Soekor consortium (in which T.C. Lands has a 5 per cent stake) earned the consortium a \$2.5 per cent interest in the concession area. Results by others prospecting in adjoining areas could lead to a re-assessment of the position.

The company's technical management and administration remains under the control of Rand Mines Limited following the merging of that company's interests with those of Thos. Barlow & Sons Limited (now known as Barlow Rand Limited) at the end of June, 1971.

The seventy-sixth Annual General Meeting of Transvaal Consolidated Land & Exploration Company, Limited will be held in Johannesburg on 25th November, 1971.

Copies of the Annual Report and Accounts can be obtained from the Share Transfer Office of the London Secretaries, Kent House, Station Road, Ashford, Kent.



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مصارف الغرب









# Davies aids small companies and shipbuilding

By JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

## Assurances sought on private legislation

AN MP called for an outright assurance from the Government that Private Members' Bills would not be regarded as "incompatible" with Common Market legislation.

Mr. Gerald Kaufman (Lab., Ardwick) asked: "What on earth is the point of introducing legislation if at the end of it we are to be told it is incompatible with some dictate of the European Commission?"

Unless an assurance was forthcoming, he would force the House to divide on a motion in the name of the Leader of the House, Mr. William Whitelaw, relating to days allocated for Private Members' Bills.

Mr. Whitelaw argued that the time allotted for Private Members' Bills was quite reasonable, but he could not give a blanket assurance such as the one asked for by Mr. Kaufman.

He pointed out that Private Members' business would continue as before.

The House divided and Mr. Whitelaw's motion was passed by 157 votes to 52 (Government majority 105).

## New towns loan limits raised by £400m.

THE New Towns Bill, published yesterday, is a two clause Bill to raise the limit on advances available to New Town Development Corporations and the Commission for the New Towns.

New Town development is financed by loans to the Development Corporations and the Commission from the National Loans Fund. These advances, with the concurrence of the Treasury, are authorised by the Secretary of State for the Environment, and for New Towns in Scotland and Wales by the Secretaries of State for Scotland and Wales respectively.

There is a statutory limit on the advances and it has been customary for this limit to be revised every two to three years. The New Towns Act, 1969, raised the limit to £1,000m. The present Bill provides for an increase of £400m, bringing the total up to £1,400m, for New Town development in England, Scotland and Wales.

## Protection on deliveries of fuel oil

By Our Parliamentary Correspondent

ACTION is to be taken by the Government to protect consumers against short measure in bulk deliveries of fuel oil. Announcing this in the Commons yesterday, Mr. Nicholas Ridley, Under-Secretary for Trade and Industry, stated: "I shall be consulting the oil industry shortly with a view to making an order under the Weights and Measures Act (1963) specifying new measuring arrangements in this field designed to remove the probability of wrong delivery."

# Lords told of IRA terrorist methods

THE picture around the world today was "pretty sombre," said Defence Secretary, Lord Carrington, opening the second day of debate on the Queen's Speech in the Lords.

But he added: "Yet there are rays of light which could turn out to be hopeful signs of an improvement." One significant change in the international situation had been the vote in the United Nations in favour of the People's Republic of China.

"Another hopeful sign has been the increasing likelihood of a serious effort at obtaining a conference between East and West in order to lessen tension. The strategic arms limitation talks have been going on for some time and, although progress is slow, there is a real possibility of some agreement."

He said there had been talk of a conference to discuss mutual and balanced force reductions and for a European security conference. Both suggestions were being actively pursued in NATO.

## Irish situation

Lord Carrington said: "Military measures can do no more than contribute towards establishing the necessary conditions for peace and a peaceful solution to the problems of Northern Ireland."

He said a very experienced officer had told him in Northern Ireland that in no other emergency in which British troops had been involved since the end of the war had there been so much shooting or bloodshed. "This is hardly surprising for these are the tactics of the IRA—provocation, intimidation and murder."

"Their immediate purpose is to create a mood of revulsion among the British people, which they hope will force the Government to withdraw the armed forces."

# Study on Clydebank set up

MR. JOHN DAVIES said that he was commissioning a professional study on Clydebank into shipbuilding yards' resources.

It would be with a view in getting advice about industry or industries for which a purchaser was likely to be found.

Other points in Mr. Davies's speech included a £3m. standby facility for Cammell Laird Shipbuilding and Engineering, and the provision of a Minister (Mr. Nicholas Ridley) to be responsible for small companies in Mr. Davies's department following the report of the Bolton Committee of Inquiry.

Earlier, Mr. Davies had dismissed "gloomy forebodings" expressed by Mr. Wilson on Tuesday. Mr. Wilson had been absolutely "no light at all" in the development of our economy. "But I can only say that all that is wholly at variance with the optimistic picture available to the Government."

After referring to improvements in several fields in the third quarter of this year, Mr. Davies said: "It doesn't sound like a stagnant economy. The prospect is one of continuing growth with the unsettling elements which are evident in the economy of the last half of 1970 and the first half of 1971 showing a credible degree of moderation."

He realised that the signs of improvement in the two most recent factors—low industrial investment and a distressingly high level of unemployment—had yet to manifest themselves. These were always the most obscure in answering to the beginning of an upswing.

Mr. Davies said, in referring



DAVIES... Beginning of an upswing.

to the EEC, that the reinforcement of national policies to overcome regional problems by Community action was both welcome and likely to evolve considerably in years to come. We had very much experience on our side in this field.

He said he hoped shortly to elaborate on the general indications he gave at the end of last year about the Government's thinking on competition and the measures it proposed.

MPs would find these proposals "imaginative and valuable." They should constitute a powerful strengthening

of the consumers' and the report from them would be available early in the New Year.

The Govan Shipbuilders' feasibility study was expected to be completed by the end of the year.

Mr. Davies told Mr. William Ross, "shadow" Scottish Secretary, that there was not likely to be any significant degree of redundancies between now and the time of the report.

Mr. Davies said that in August the "two shareholders" of Cammell Laird Shipbuilding and Engineering—the Government and the Laird Group—decided that a change in the top management was needed.

Two very able men had been taken on as chairman and managing director and their first task was to appraise the future prospects of the company.

They considered greater confidence would be given for it to be carried out thoroughly and deliberately if they had access to standby financial facilities of £3m. over the course of the next year or so. I have agreed to give them this facility.

Mr. Davies said that without this facility it would be very much more difficult for the new management to carry through work on existing orders.

He accepted, he went on, the recommendations of the Bolton Committee of Inquiry in Small Firms published yesterday, that a small firms division should be set up within his Ministry.

He also accepted the recommendation that in the Department a Minister should be designated as responsible for small companies.

Mr. Davies said he would give Ministerial responsibility to the Under-Secretary for Industry, Mr. Nicholas Ridley. "A division will be set up whose primary function will be to support him in this work."

The Committee makes several recommendations designed to minimise the burden on small firms of supplying statistics and filling in other Government forms.

"We accept the philosophy underlying these proposals and they are being examined urgently in detail. Much of what the Committee recommends for statistical surveys is likely to prove acceptable."

"The Committee recommends exemption of more small firms from certain of the disclosure provisions of the Companies Act 1967."

"I propose to lay an Order before the House which will exempt companies with a turnover of below £250,000 from the obligation to disclose it."

(Labour groans and cries of "why?")

"Companies will not need to show information about the remuneration of individual directors when the total remuneration of their Boards does not exceed £15,000 as compared with £7,500 at present."

"We do not want to apply to holding companies or subsidiaries," he said.

In both life and money, it is going to be a long time before we shall stop the IRA thugs murdering people."

He said 34 soldiers had been killed this year and he reciprocated the feelings of those who would do a bit of murdering of the IRA.

"I think of the expense. We spend, gross, £350m. a year in Northern Ireland. We subsidise factories which are burned down. We assist public works, which are blown up, and we give the people National Assistance, so that they can use free time manufacturing nail bombs and grenades."

It has been said that if we withdrew there would be a bloodbath. I do not know what you would call what is going on there now."

He suggested that the Northern Ireland problem should be handed over to the Dublin Government. "This would have the advantage of giving them what they wanted and at the same time placing on them a financial burden," he said.

## Ulster troops

Lord Chiffoleau, speaking of his own visit to Northern Ireland, said: "For my own military experience, I can think of no army in the world which would have done as far as our men have done. In what has now become open urban guerrilla warfare."

"Surely a garrison of the present size cannot be kept in Northern Ireland for long without weakening our forces elsewhere in the world. I urge the Government not to fall into the trap of having to decide whether to spread the military effort more thinly over a large number of commitments, or whether to accept certain commitments which will not be fulfilled."

Lord Trevelyan said we should prepare to move towards the establishment of a permanent East-West security commission operating in parallel with the U.S.-Soviet strategic arms limitation talks. It could work with our publicity or propaganda and could talk out any dangerous situation which arose.

Lord Clifford of Chudleigh said: "A united Ireland one way or another is bound to come, and we put it off, the more expensive, curfew in the major cities."

# Help for mineral explorers planned

A BILL introduced in the Commons yesterday enables the Government to contribute 35 per cent of the cost of exploring for and evaluating mineral deposits in Britain and on the Continental Shelf.

The scheme will be selective and confined initially to non-ferrous ores and hardy minerals: fluorapatite and potash.

Expenditure of up to £25m. is provided for in the Mineral Exploration Bill and there is provision for another £25m. if necessary.

The money will be recovered where the projects results in a productive mine.

Minerals known to exist in Britain include tin, potash, copper, lead, zinc, tungsten, gold and uranium. Except for a little lead and zinc produced as by-products of fluorapatite mining in Derbyshire, the only non-ferrous ore currently mined is tin.

Two tin mines operate in Cornwall, and a third will start production there soon.

# Ministers in talks on economy

By Richard Evans, Lobby Correspondent

THE Prime Minister invited a group of senior Ministers to an informal dinner at 10, Downing Street to discuss the economic situation and likely trends in the future.

It was emphasised that no decisions could flow from the talks, but Ministers would have the opportunity to put forward views informally and not in the presence of official advisers.

Similar meetings on different subjects are expected to be held in the future.

Ministers are likely to have been most concerned last night with the unemployment situation, the delayed effect the Chancellor's summer measures had had on the economy, the prospects for investment and forward economic planning with an eye on the next General Election.

Present were the Chancellor, Mr. Anthony Barber, the Secretary for Employment, Mr. Robert Carr, the Secretary for the Environment, Mr. Peter Walker, the Secretary for Trade and Industry, Mr. John Davies, the Lord President, Mr. William Whitelaw and the Minister of Agriculture, Mr. James Prior. Sir Keith Joseph, Secretary for Social Services, arrived after his wind-up speech in the Commons.

# Bill fixes bank holiday dates

BY JOHN HUNT

THE PERMANENT fixing of bank holiday dates along the lines of the experiment which has been in force since 1965 is proposed in a Government Bill published yesterday.

In England, Wales and Northern Ireland, the spring and summer bank holidays would be permanently on the last Mondays of May and August respectively. The Bill would also make the use of a Royal Proclamation unnecessary in specifying a bank holiday date.

The existing arrangements in Scotland are unaffected by the proposals but provision is made for an additional Scottish bank holiday on January 3. However, when that date falls on a Sunday the holiday would be on January 2. This brings the number of Scottish holidays into line.

## Special cases

In addition, the Bill would modernise the power to grant additional days of closing for financial institutions should the need arise. It would introduce "special days" on which they could be closed by statutory instrument.

This would include banks, the Stock Exchange, the National Giro, foreign currency dealers, gold and silver hullion dealers, and dealers in futures on commodity markets.

# Benn speaks up for 'men of principle'

BY JOHN HUNT

MR. ANTHONY WEDGWOOD BENN, chairman of the Labour Party, last night came out in favour of a relaxation in Party discipline and spoke up for "men of principle" who stick by their beliefs.

These remarks will cause some raising of eyebrows in the Labour Party coming, as they do, from the man who has led the attack on Mr. Roy Jenkins, Labour's deputy leader, for defying the Party whip over the Common Market.

## Democracy

Addressing the Fabian Society in London, Mr. Benn declared that Party democracy is more relevant than sterile personality clashes from which the Party suffered in the past.

The strengthening of Party democracy, he said, was a better way of "handling" our differences than could ever be achieved by trying to use disciplinary methods to secure agreement.

"The Party has always gained from having men of principle within it who have fought hard for what they deeply believe," he said. "No one wants to coerce those who have so much to offer."

At a Press conference called earlier in the day to discuss his Fabian lecture, Mr. Benn said that it dealt with general principles and he refused to be drawn into a discussion about Whitelaw and the Minister of the present state of the Party.

Asked about his reference to men of principle, he stated: "What you make of it is for you. I have always been opposed to disciplinary methods being used."

Mr. Benn emphasised that his lecture, entitled "The Labour Party and Democratic Politics," was originally mapped out some months ago. However, in it he took several swipes at the basic state of Labour's affairs which are hardly calculated to reduce the temperature of the Party in its present fevered state.

## Hero figures

"There must be a reassessment of the role of the Labour Party and the way it operates within the Parliamentary system. That reassessment which was in any case necessary, is now in the light of what has happened, critical."

The starting point should be a frank admission of failure—starting with the failure of the Party to act together on the Common Market. He posed the question: "Have we failed because Labour has been betrayed by its leaders?"

But he went on, the danger of believing this argument was that it created a search for hero figures.

# Fire defence need not burn a hole in your balance sheet

Be prepared for fire at any time. £100 million of property goes up in flames every year. With the aid of premium discounts and tax allowances, the cost of installing fire protection equipment can now be recovered in only a few years.

\* Tax paying businesses in development areas qualify for an allowance equal to 100% of expenditure on equipment. For the first time service industries will benefit from these arrangements under government measures announced in July 1971. Companies may now set the 100% first-year allowance against the profit of the preceding three years if it cannot be absorbed by their current year's profits. Claims need to be made in the period when expenditure was incurred.

\* All other tax paying firms, under a special government concession, can write off 80% of the cost in the first year, and a quarter of the reducing balance in each subsequent year. The concession lasts until August 1973, when the previous 60% allowance will be reintroduced.

\* Insurance relief. Insurers give substantial discounts (70% or more) to firms who install approved fire protection equipment. Discounts are available on loss of profits insurance as well as fire insurance.

Contact the local fire brigade or your insurer for advice on your fire defence problem.

Contact us for details of case histories, leaflets and 16 mm film on fire defence for businessmen.

**Central Fire Liaison Panel**  
6th Floor, Aldermay House, Queen Street, London EC4P 4JD.



# Crisis after record growth

**TOKYO, Nov. 3.**

obliged many companies to borrow from usurious private sources. About a quarter of all Korean companies, mostly with small working capital, have been forced to raise money in this way, according to a survey conducted by the Bank of Korea. In the meantime, companies with foreign liabilities face added repayment burdens because of the won devaluation.

Even in the present tight

**CAIRO, Nov. 3.**

The Government is also drafting a Bill to set up a fund and a national committee to help industrial rationalisation and realignment.

In spite of the present difficulties, officials claim to be confident that the situation could be retrieved by proper Government support measures and "positive efforts" by private industry. It is even possible, as one official of the Economic Planning Board

## RETRUT. Nov. 3

# proposal

CANBERRA, Nov. 3.

To-night Mr. McMahon's Canberra office issued a transcript of a Washington Press conference in which Mr. McMahon said the Cabinet had agreed to the

Anthony and Mr. Fairhair had both said earlier that the Cabinet had agreed only to further discussion.



**What's that exactly?**  
It's a cost equation we use which includes the cost of maintenance plus the initial vehicle investment. In other words because of Fodens superior engineering their tractors are cheaper to maintain, and in the long run will cost us less.

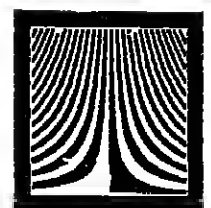
**I understand you have a fully staffed engineering and research department?**  
Yes, their job is to evaluate and choose the best equipment. They also develop Ryder modifications. Our aim is to create a truck that will run for 500,000 miles without anything more than an oil change.

**It seems to me that you've done a very impractical thing to your trucks by painting the wheels white.**  
Not impractical at all. Although it's an extra expense, we deliberately paint the wheels white so that our servicing crews can immediately spot any grease leaks or a cracked rim.

**One last question, why did you put radios in your trucks?**  
Let me ask you a question — have you ever driven a truck for a living? It's a tough and tedious job. We believe that by making the drivers lot a little more pleasant, he's going to do a much better job.







# The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

## COMPUTERS

### Clearing bank nears on-line target

BY January next year, the whole accounting operation of Williams and Glyn's Bank—apart from its Channel Islands branches—will be on-line to computer equipment installed in London. This means a total of 310 branches covering 500,000 accounts and 400,000 standing orders.

Measured against the task of computerising the accounts of a National Westminster Bank with its 3,600-odd branches, this would appear to be a relative minor feat. But the fact remains that Williams and Glyn's computer department under Mr. David Robinson, has coped with a merger and the problems of operating a large Post Office line network with surprisingly little trouble, adding accounts to the system at as good a rate as any of the large clearing banks and preparing for replacement of existing computers with the more advanced IBM 370s at the same time.

The first new machine—a 155—will be put in during the course of this month and it will be followed in February by a 146. The latter will generally operate as the communications handler and the larger machine will be employed on batch processing and systems develop-

ment serving also as the standard by which the larger centre in Lombard Street.

At Victoria Avenue, one of the two 360/30s is being replaced by a larger 40 to handle the bank's clearing work and speed customer account information printing, a detail of service on which the bank prides itself.

This installation also acts as the input/output centre for the main equipment but its primary function of clearing demands attention to as many as 150,000 cheques a day.

By the spring or early summer of next year, the remaining branches will have been brought on-line and the bank will then have achieved full computerisation, at least a year ahead of the other clearing banks.

Entries on customer accounts are one of the three main types of information transmitted over the system. Control totals and messages and main file amendments are the other two. It is expected that in the relatively near future, real-time enquiries will be added. These are now answered within 24 hours.

The bank, which has 100 computer staff including 35 in the development work, cannot claim to have justified its computers on the grounds of labour-saving

alone. But David Robinson says that it would have been impossible to get through the work now being done each day with a clerical staff of the order of what it was before the merger.

In view of the current competition between the banks and the way in which customers have been reacting to some of the changes resulting from computer control, this is significant.

The bank's computer management is well aware of the conflict of philosophies between preliminary processing at source in any network and processing at an intermediate stage by the so-called concentrators introduced by IBM as its answer to the "intelligent terminals" of Burroughs, for instance.

The bank has followed the IBM route and observes that one advantage of a design based on concentrators is ability to add different types of terminal without change to the basic network.

The CP6 controller is a self-contained unit providing sequence control, or continuous control functions for up to 64 control loops in a plant. In addition to the facilities provided by conventional controllers or sequencers, the Ferranti controller gives alarm limit checking, plant and operator logs, and centralised display and standby controls. A communication link allows several CP6 units to operate together or to work into a central supervisory or management system.

These features are allied to the low cost—roughly comparable with that of analogue plant. It will accept variable range analogue inputs in the range among the most significant

## AUTOMATION

### Control at low cost

A LOW-COST controller recent advances in industrial announced by the Automation Systems Division of Ferranti yesterday brings digital control to a range of manufacturing and processing operations.

The CP6 controller is a self-contained unit providing sequence control, or continuous control functions for up to 64 control loops in a plant. In addition to the facilities provided by conventional controllers or sequencers, the Ferranti controller gives alarm limit checking, plant and operator logs, and centralised display and standby controls. A communication link allows several CP6 units to operate together or to work into a central supervisory or management system.

These features are allied to the low cost—roughly comparable with that of analogue plant. It will accept variable range analogue inputs in the range among the most significant

thermocouples, radiation pyrometers, resistance thermometers, potentiometers and most other industrial measurement instrumentation. Digital inputs can be accepted from normal on/off switches, push-button alarm contacts, limit switches and other similar devices.

An advantage of the CP6 controller is its ability to operate in three different ways. Whether it is to control a process requiring just continuous control or sequence, or an operation where both are required hand-in-hand, the same basic equipment configuration is used. The choice of continuous or sequence control is made simply by selecting the appropriate program.

The basic simplicity of the Ferranti CP6 systems means that the user need not be familiar with computers, or even conscious of any computer influence on his operations.

The controller is also geared to work with existing standard instruments and actuators in a plant. It will accept variable range analogue inputs in the range normally provided by pH meters,

## Simulating clay mixes

MEASUREMENT Aids is conducting a £27,000 contract with the English China Clays group to cover the final stages of equipping major refinery plants with an advanced type of simulation equipment.

The main contract item is the largest linear mix simulator so far produced by Measurement Aids. The unit will be able to formulate up to six products simultaneously out of 23 different feed clays available from pits in the local area. The new unit will replace a much smaller simulator which has been in service for four years, and which was calculated to have saved its capital cost every two months.

This equipment departs markedly from the normal "computerised" approach to blending problems in that it offers the facility for very rapid and effective man-machine interaction, allowing effective control in the face of daily or even hourly variations in plant and customer requirements.

English China Clays feels that flexibility in its blending operations not only ensures a high degree of product consistency and customer service, but also enables clay reserves to be used in a balanced manner which will help to minimise future environmental problems.

Measurement Aids is exploring the potential for similar equipment both in mineral processing and similar applications, and also for regulating traffic in transportation networks under emergency or peak demand conditions.

The company operates from 90, Tontine Street, Folkestone, and has already launched analog equipment which will speed up company modelling techniques very considerably.

age" of fibres builds up during winding, the rotational speed compensated so that the diameter of the filament remains constant. This is accomplished by a sol state adjustable frequency power supply, which includes digital circuitry that programs the rotational speed of the motor as it packages builds up, thus maintaining constant surface speed.

Use of the system allows many different shapes to be turned, by simply changing the speed of the bobbin over a range of 25 to 1. The compensation program may be changed over a wide range by a similar adjustment.

The system is open loop, increased accuracy and repeatability. Power supply frequency is determined by a digital counter circuit which is controlled by a crystal oscillator.

The winder motor is controlled by the operator only in the event that the motor may be stopped and started. The motor responds to a foot switch push-button activated start command by raising voltage and frequency at a rate which is set by motor current and a preset control. When the motor reaches the value of the digital control, the frequency is stopped, and the decreasing frequency program commences. The operator at the winding process at a pre time, reloads the winder with empty spool, and restarts the motor.

Joy Manufacturing is at Cap House, Church Street, Epsom, Surrey.

## Work study speeds up

LABORATORY trials on "Automat" system of computerised work study have been completed and application of industrial techniques should lead to its being commercially available in the near future.

Developed by the department of production engineering at production management at Loughborough University, it is led by Mr. M. C. Bomey, system design work was supported by funds from the Sci Research Council.

Given information about a task, the system required for assembly task, Automat will deduce workplace layouts for parts and tools, detailed summary methods description and analyse the work involved in order to guide methods improvements. The methods analysis uses the MTM-2 pre-determined motion time system.

The work place may be set in as little or as much detail as the practitioner requires. Similarly, a work sequence may be specified in a high level language or in a mixture of level languages. Work on Automat is heavily on the results of the "Samurai" project to build computer model of a man.

## Winding at a constant speed

A PROGRAMMED system to produce constant linear velocity for winding fibre filaments has been announced by the Task Corporation, a subsidiary of Joy Manufacturing Company. It has an application to glass, synthetic fibre, wire and other filament winding operations.

As the diameter of the "pack-

## Background counts

ACCORDING to Dr. Dennis Chandler, managing director of Atkins Computer Services, it is nowadays behoves anyone thinking of starting up a data processing bureau to ensure that an initial data base of safe dimensions already exists, so providing a workload which can hopefully carry the organisation over any initial financial difficulties.

This is what his company was able to do when it started up two years ago, building upon an acknowledged background of constructional engineering consultancy work. The company now numbers Plessey, Unilever, ICI, Tube Investments, Alcoa and British Steel among its clients, it is broadening its base of activity all the time, and it expects to return over £7m. in the current financial year.

The bureau now has equipment to the value of £2m. installed including a recently arrived Sigma 7 and its list of clients exceeds 200. The bureau, says Dr. Chandler, is in the black.

Confidence in the ability of the bureau to really understand its

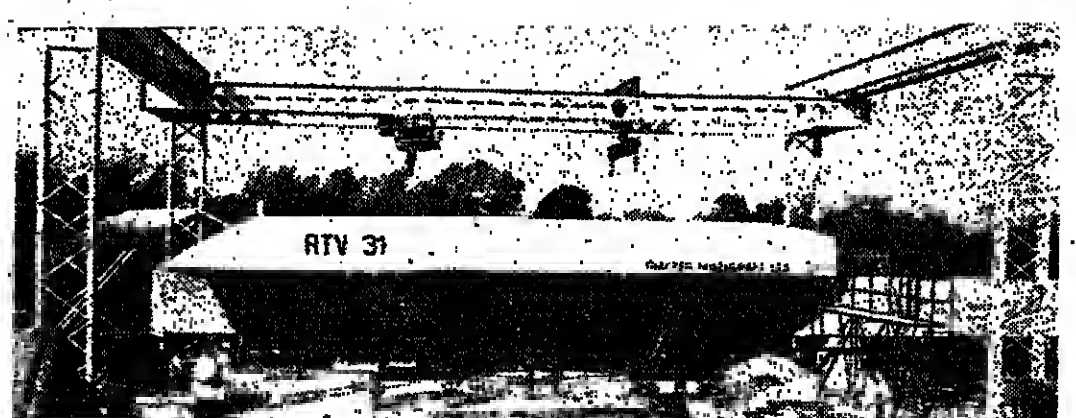
customer's problems—to date mainly heavy engineering ones—seems to largely account for its success to the areas it has tackled so far.

Dennis Chandler now aims to gather expertise in other areas of data processing with the ultimate object of having the business divided into three more or less equal parts—one third engineering orientated, one third "bread and butter" work such as payroll, and one third in the more esoteric areas of management control information. He also has plans for his company to run a data "ring main" around Europe in the form of telephone lines punctuated with what he called "data power houses."

Atkins Computing Services now employs some 80 people, and of the 200 or so bureau businesses in the country claims to the value of £2m. installed including a recently arrived Sigma 7 and its list of clients exceeds 200. The bureau, says Dr. Chandler, is in the black.

Confidence in the ability of the bureau to really understand its

This is the winding end of the world's fastest paper-making machine, installed at the Prudhoe Mill of the Kimberly-Clark organisation. This mill, which has cost £10m. to build, is to be opened by Princess Anne on November 23. It is a tissue mill and converting plant which includes some up-to-the-minute equipment and has the capacity to turn out the equivalent of 300,000 large Kleenex boxes a day. The mill is sited in one of the worst industrial black spots and is providing employment to some 400 staff, mainly local people. Expansion plans aimed to come into fruition by the middle of the decade promise further employment in the area, which is expected to become a show site for the industry.



Britain's experimental hovertrain—designed for motor propelling the hovertrain is practically speeds up to 300 mph—now on its track at the Tracked Hovercraft, Earith, Hunts, at the start of a test programme. The train does not carry hoverpads, and is suspended on air to pin-point noise sources. A programme of noise reduction aims to achieve acceptable standards. Comprehensive data is transmitted by radio telemetry to the control centre. The linear Static tests will take several weeks.

## MATERIALS

### Continuous production of tiles

FLUOROCARBON and asbestos conveyor belts used in tandem turn out vinyl tiles in a continuous process. The belts will withstand process heat and the viscous vinyl does not stick to them.

Vinyl chips are first sifted on to the belt, which carries them under infrared heaters to melt the plastic into a solid sheet. The Teflon belt then goes under an upper belt of polished stainless steel which is pressed against the vinyl to give it a smooth surface.

The vinyl then is strong enough to act as its own carrier, so it leaves the conveyor belt and goes through a water tank. For final finishing, it is fed on to another "Teflon" belt, carried under additional heaters to soften the plastic, and then run through embossing rolls to give it the final finish.

The main process belt is 800 feet long and withstands temperatures of 400 degrees F., says the Plastics Department, Du Pont Co., Wilmington, Del., U.S.

### Measuring dielectric

FLUOROCARBON plastic, produced by melting instead of sintering, has been chosen as a new American standard for dielectric constant and dissipation. Glass and fused silica were formerly used as standards, but the Teflon TEP plastic is closer in value to standard insulating materials. Also, says the Plastics Div., Du Pont Company, Wilmington, Del., U.S., it can be certified to plus or minus .0042 per cent, compared to 0.3 per cent. for the ceramics.

The choice was made by the U.S. Bureau of Standards after it found FEP, the melted Teflon form, had an even and predictable change in volume with temperature change. Teflon TFE, made by sintering and pressing, exhibits a sudden change in volume at 67 degrees F. Also, the dielectric constant of Teflon does not change with changes in humidity, and, since it does not contain a plasticiser, there is no change of characteristics due to loss of this additive.

### Pre-treated wire for soldering

AN electroplated coating of a tin-lead alloy makes it easier to solder the copper wire used to connect electronic components. As a result, completed circuit boards can be soldered in a single step by dipping them into

molten solder. Mechanical connections are made with the electroplated wire and the whole board dipped in the solder bath. Only the coated junctions are soldered, the other components being unharmed.

The electroplated wire is made by the Camden Wire Company of Camden, New York, U.S., which says its product has better concentricity and uniformity of coating than wire tinned by other means. Plated wire is available in American sizes from 16 to 26 (British swg 18 to 28).

Up to 20 wires are fed at a time into the plating bath, which uses an anode of the tin-lead alloy. Plating time is 50 to 500 feet per minute, depending on the thickness of the coating desired.

## PRODUCTS

### Multi-layer mat traps the dirt

THE initials ECM for many engineers have long stood for electronic counter measures but have recently taken on a new meaning "environmental control mat."

Such a mat recently introduced by Starchem of 27a Pendeford Airport, Wolverhampton WV9 5HA is made up of 50 impregnated layers of disposable covers that fix and immobilise them on wheels or foot. The impregnated is antistatic and contains a bactericide.

The mat is made in two standard sizes, 4 foot x 3 foot, and 3 foot x 2 foot, but special sizes can be manufactured to order. When the 50 covers have been used a refill set may be purchased and is easily fitted to the surround.

### Quiet lab compressor

FOR applications where a clean, dry, oil-free, constant pressure and stable supply of compressed air is required, Evans Electroselenium of Halstead, Essex, are marketing the EEL 249 compressor. The company says that the unit is particularly suitable for use with flame photometers and atomic absorption spectrophotometers.

It consists of a double ended pump driven by a low speed motor to give the desired quiet running characteristic, and delivers 15 litres/minute of air at 0.7 kg/square cm at a maximum output pressure of 2.2 kg/square cm. The free air displacement is 22 litres/min.

The EEL 249 is fitted with a water separator to ensure that the supply is completely dry, and this can be lifted off the compressor casing and fitted in any convenient position closer to the apparatus receiving the air supply.

## METALWORKING

### Powder into complex shapes

NCR has been making powder metal parts for many years. Last year it produced some 50m. high density powder metal parts out of 500,000 pounds of iron powder.

However, with machinery they were using they found that some parts with multi-levels were uneconomical to make as sintered parts because of the high cost of tooling. This was because if a powder metal part has more than two levels and each level must have uniform density, separate compression for each level is required which requires complicated tooling.

With the installation of Stokes multi-motion compacting presses, many movements required to make these complex parts are built into the press so that relatively simple and low-cost tooling can be used. Six Model 640 powder metal presses have been installed. These presses, rated at 50 tons maximum compression, have five independent compacting motions—two upper and three lower—with underfill or resistance pressing controls. One lower motion may serve as stationary, movable, or ejecting core rod or as a resistance motion; or it may drive another punch.

Because the press offers five movements, costly die features such as springs, latches, and fingers are eliminated. Maximum compacting pressure can be applied to the upper punch assembly and lower outer punch. A further advantage is that the secondary upper punch simplifies production of high density tapered parts with double hubs, reduces punch timing and powder transfer. Dies can be shouldered or projecting sections can be pressed in the die, as the supported die table will withstand a full 50-ton compression.

Dimensional tolerances required by NCR are very tight. The Stokes design allows a Corporation's Extensometer, so tolerances in the direction of press motion of plus or minus .001 inch. Radially, tool

ance is also .001 inch or less.

Clearances between punch and dies are very small. Slightest misalignment of components could lead to and repeated tool failure. Abrading of the tool steel by the carbide die. With a finely rigid press, the tool will last almost indefinitely the powder itself it not abraded. After producing over 14m. with a single carbide die Stokes 640 press, the die was within blue-print tolerances.

Penwalt, Doman Road, Berley, Surrey, can supply information.

## INSTRUMENTS

### Flexible signal generator

CHOOSING from a number of basic modules makes it possible for a user of a new signal generator from Farnell Instruments Sandbach Way, Wetherby, to meet the needs of any requirements with relative without buying any more equipment than is really necessary. In addition, the company supply any custom built module that may be required to suit order.

There are four oscilloscope modules covering the range from 1 MHz to 100 MHz. The compact design of the unit, with its built-in diode tuner and simplified screening, reduces RF leakage to less than 0.1 microvolt. The attenuated production of high density tapered parts with double hubs, reduces punch timing and powder transfer. Dies can be shouldered or projecting sections can be pressed in the die, as the supported die table will withstand a full 50-ton compression.

By agreement between Financial Times and the information from The Times Page is available for use by a Corporation's Extensometer, so tolerances in the direction of press motion of plus or minus .001 inch. Radially, tool

## Electrical engineers are invited to be unfaithful

Unfaithful to the habits of a lifetime. You want to start something—like a piece of plastic with a high inertia load.

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by  
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It's a matter of record that we're Number One in the charter airline business. By every meaningful yardstick, World is "the largest charter carrier and America's third largest worldwide airline."

We've always made a profit, despite the obstacles confronting the supplemental airline industry. To accomplish this, we've had to run an efficient organization. We put earnings back into the company. And bought the latest intercontinental jets, all convertible from passenger to cargo use. We acquired First Western Bank, with over \$1 billion in assets. So World has financial strength second to no carrier—charter or scheduled.

### What made us Number One?

World has always been a pioneer. In 1963, we led the battle to pass legislation that made the supplemental industry possible. World's standard of excellence has earned the company a reputation among chartering organizations as "No. 1" in reliability and service.

Last year, we proved our case before government leaders, showing that the public interest demands a more liberal and supportive government policy toward the charter concept. The President of the United States said in his 1970 International Aviation Policy Statement that the supplemental airlines are a vital element in U.S. air transportation. The statement suggested parity with scheduled carriers in gaining foreign landing rights.

World has also made a vigorous effort internationally to gain broader acceptance of charter travel. World's President and Chairman of the Board, Edward J. Daly, and other World officials are personally conducting an intensive campaign to bring about changes in charter policies throughout Europe, Africa, Australia and the Orient. In recent months, Mr. Daly has discussed international uplift and landing rights with top

government officials and our own ambassadors with two goals in mind: to expand the horizons of charter travel for U.S. citizens and to afford the opportunity for more people throughout the world to "visit USA."

### We don't take our civic responsibilities lightly.

When you're Number One, you have responsibilities beyond the dollars and cents of financial statements.

You have an obligation to your own community and, beyond that, to the world community—those emerging nations of the world who are seeking help in accelerating economic development. World is currently assisting five countries in Asia, Africa and the Middle East.

In their endeavours to establish modern, efficient air transport systems, we have aided their national carriers in acquiring jet aircraft equipment, and by temporarily providing flight crews and maintenance technicians while we trained their own crews to take over as quickly as they became qualified.

### The World of tomorrow.

We look at things business and industry will need not just today, but a year from now. Or five years from now.

Construction is underway on the new \$12 million World Air Centre at Oakland International Airport. This mammoth project is being built by the Port of Oakland in cooperation with the Economic Development Administration of the U.S. Department of Commerce. It covers 63 acres, and the huge hangar, one of the world's largest, will be big enough to hold four 747 jets. With this facility, we'll be able to offer any airline complete maintenance service on any plane now flying or on the drawing boards. These services include everything from refurbishing and painting to X-ray testing and airframe overhaul.

This new complex will require a substantially larger work force than the present World Air Centre. To fill many of these jobs, World is committed to an extensive training programme for the unemployed and under-employed.

We're also looking ahead to an extensive expansion of our corporate aircraft maintenance facilities. We're designing the most sophisticated centre ever developed for small-to-medium sized jet, turbo jet and piston-engine planes. This is a new, fast-growing field of business. And we're making sure World is ready for it. Now.

### Steady profit proves success.

Throughout more than two decades in this newly developing industry, World Airways has established a remarkable record of success in all areas of its operation. We're the only supplemental airline listed on both the New York and Pacific Coast stock exchanges. Our growth and stability have been achieved by a responsible, forward-looking company providing the finest service in the charter airline business.

As the tables show, our programme has made us Number One over some keen competition. And that's where we intend to stay. Number One.

\*1971 Report on the Supplemental Airline Industry, National Air Carrier Assn., August 1971, pg. 5.

Current Standing of the Three Leading Supplemental Airlines.			
June 30, 1971	World	Airline "A"	Airline "B"
Total Assets (\$000)	\$170,526	\$131,182	\$70,536
Net Worth (\$000)	\$66,842	\$32,205	\$35,350
Working Capital (\$000)	\$6,600	\$636	\$(-7,244)
Net Income (\$000)**	\$5,631	\$1,408	\$786
Total Operating Revenue (\$000)**	\$30,727	\$27,611	\$25,355
Passengers Carried**	277,378	264,636	218,695
Revenue Plane Miles (000)**	8,339	5,892	9,247
Employees**	1,330	796	882

Leading Supplemental Airline.							
	1965	1966	1967	1968	1969	1970†	June 30 1971
Total Assets	World	World	World	World	World	World	World
Net Worth	World	World	World	World	World	World	World
Working Capital	World	World	World	World	World	"B"	World
Net Income	World	World	World	World	World	"A"	World
Total Operating Revenue	World	World	World	World	World	"A"	World
Passengers Carried	"A"	World	World	World	"A"	"A"	World
Revenue Plane Miles	World	World	World	World	World	"B"	World
Employees	World	World	World	World	"B"	"B"	World

†1970 results are not representative because World Airways experienced a 51-day flight crew strike between May 14, 1970 and July 3, 1970.

\*\*1st half, 1971.

Source: CAB Form 41.

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# BOLTON COMMITTEE REPORT

## New DTI Division and Minister should sponsor small firms

By HAROLD BOLTER, INDUSTRIAL CORRESPONDENT

THE BOLTON COMMITTEE of inquiry into Small Firms set up over two years ago, has made more than 60 recommendations for arresting a serious decline in the number of small companies operating in the U.K. In particular, it wants a Government Minister to be given special responsibility for safeguarding their interests.

The committee has decided that these companies, each employing fewer than 200 people, should not receive the benefit of any special subsidies, tax concessions or other differential measures.

In a statement introducing the committee's report, published yesterday, Mr. J. E. Bolton, the chairman, says that the process of decline among small British companies is more advanced than in any other developed economy.

"If the past statistical trend were extrapolated into the future, there would be virtually no small firms in U.K. manufacturing industry by the end of the century," Mr. Bolton says. "The same process is visible in most other industries, though it is less rapid."

Nevertheless, although the committee believes that the existence of a lively small firm sector is vital to the health of the private enterprise system, it does not feel that there is a case for discrimination in favour of small firms.

The committee's recommendations to the Government are mainly designed to remove "the inequities and disabilities which smaller concerns now suffer, usually as a result of unintended neglect by Government, and thus to give small firms a chance to compete on equal terms with large."

### Five key suggestions

Among the 60 recommendations are five key suggestions:

- 1-A special division of the Department of Trade and Industry should be set up to safeguard the interests of small firms.
- 2-A network of advisory bureaux should be established in important industrial centres.
- 3-The knowledge and experience of retired executives should be used to increase efficiency and productivity among smaller companies.
- 4-Changes should be made in close company legislation, capital gains provisions, and estate duty relief. The 50 per cent rate suggested for a new Statutory Tax would place an additional burden on small firms.
- 5-Small firms should be exempt from the industrial training levy and grant system.

The committee points out that there are 620,000 small firms in the industries covered by its report—manufacturing, retailing, wholesaling, construction, mining and quarrying, motor trades, miscellaneous services, road transport and catering. They account for 14 per cent of GNP and 13 per cent of the net output of the private sector, and employ some 4.5 million people.

Despite an obvious concern about the current rate of decline among small firms, the Bolton committee does not feel that it would be right to discriminate in their favour. This could lead to inequities and distortions, it says, and there are indications that the decline will slow down naturally.

### Small Firms Division

In case it is wrong, the committee wants a Small Firms Division created within the DTI under the aegis of a Minister responsible for small firms.

The division's main function would be to monitor the health of the small firm sector and to ensure that its interests will not be allowed to go by default in future.

"If it later proved necessary, energetic action should be taken to preserve a viable small firms sector," Mr. Bolton says. He states bluntly that the absence of effective concern and true understanding of the problems of small businesses is a widespread in Government.

The way to get anything done is to make someone responsible for it," Mr. Bolton asserts.

Apart from monitoring the health of the small firms sector, Mr. Bolton believes that the division should pay urgent attention to the effects of Common Market entry on small firms and to their participation in Government contracts.

### Government Organisation

The 436-page Bolton report has other important suggestions to make about the organisation of Government, as it affects small businesses.

It recommends that all Government departments with trade or industry functions should designate an official with specific responsibility for liaison with the small firms division of the DTI and for his department's policy towards these companies.

The division, and the sponsoring departments, should form a view of the present and future role of small firms in all industries, and collect the statistical and other information needed to enable them to do so.

Major Government purchasing departments should pay more attention to the effects of their buying policies on the structure

of industry in general, and small firms in particular, as well as on achieving value for money.

The DTI small firms division should promote policies designed to maximise competitive participation by small firms in suitable Government contracts.

Discussing the range of management skills and advisory services available to small concerns, the Bolton committee says that there are none which meet its criteria for continuing subsidy.

It does feel, however, that there is a case for setting up a network of small firms advisory bureaux in important industrial centres, to ensure that these businesses know where to obtain help.

These bureaux would provide assistance on technical, financial and management problems by introducing companies to the appropriate sources of professional, commercial or official advice.

### Sources of Finance

Examining sources of finance, the report accepts that small firms have suffered and still suffer a number of genuine disabilities, by comparison with larger companies, in seeking finance from external sources.

They have suffered more from the official ceilings on bank lending; some institutional facilities are not available to them; they must generally pay rather more for their overdrafts, term loans, hire-purchase finance and even equity raised by public flotation.

Many small concerns do not use the full range of facilities available because they are not sufficiently well-informed or are prejudiced against borrowing.

The committee maintains, however, that there is no need to create a new institution for the provision of finance to small firms. It also refuses to support suggestions that finance should be provided for them at subsidised rates.

"We believe that small firms in general should be able to obtain finance on the same terms as larger firms, provided they make full use of the resources, including net trade credit, available to them," the report says.

"If at some future time, it is thought necessary to subsidise the provision of finance to small firms, we strongly recommend that this should be done within the existing financial system.

The creation of an official body for this purpose would in our view distort the market in highly undesirable ways.

### Personal resources

"Moreover, what is required above all for the health of the sector is an economic and taxation system which will enable individuals to acquire or establish new businesses out of personal resources and to develop these on the basis of retained profits."

Without this no institutional financing can be expected to serve the small firm sector.

The committee makes 13 main recommendations in the taxation field.

It maintains that current discussions between the Institute of Chartered Accountants, the Confederation of British Industry, and other interested parties on the question of adapting accounting techniques to take account of inflation should be pursued with urgency and brought to a successful conclusion.

The committee feels that the 50 per cent rate suggested for Corporation Tax would be a heavy burden for small companies which, because of their dependence on self-financing make a lower average distribution than larger concerns.

Shortfall assessment on the trading income of close companies should be abolished, the committee says, and no parallel provisions should be included in the forthcoming revision of Corporation Tax.

Closely companies should be allowed to elect, by unanimous decision of the shareholders, to be taxed as partnerships.

As a general rule, the tax reliefs which are available for pensions schemes set up for directors, including non-controlling directors, should be extended to similar funds for proprietors of unincorporated

businesses and controlling directors of close companies.

Such pension funds should have complete freedom in their choice of investment, including the freedom to plough back into the business.

Section 20 of the Finance Act 1969, which disallows interest on loans for the purchase of interests in close companies as a deduction from income for tax purposes, should be repealed, the committee insists.

The Bolton report recommends that unrealised capital gains, on all assets, other than quoted securities, should be taxed on only part, say half, of the gain, the tax paid on such to be credited towards the tax payable on any subsequent realised gain on the sale of the asset concerned.

As a transitional measure, retirement relief from capital gains tax should be raised from £10,000 to £20,000, the committee recommends. It also feels that the extra-statutory concession for loans made by close companies to pay estate duty should be continued and made as widely known as possible.

Estate duty relief of 45 per cent, now allowed for agricultural property and industrial buildings, plant and machinery, should be extended to net trading assets, the committee maintains.

The extension should include any amount in the assets valuation of the concern which arises in respect of goodwill, and to controlling interests in unquoted companies to the extent that their value represents net trading assets, including goodwill, of the company.

The Bolton report further recommends that a similar concession to that given for agricultural land should be given for ownership of industrial land and buildings, whether or not the landlord uses them for a trade.

Finally, in the taxation area, the committee maintains that a proportion, perhaps half, of the cost of associated litigation, of valuing assets other than listed securities, should be deducted from the estate for purposes of the duty.

**Levy grant system**

The committee's recommendation that small firms should be exempted from the levy-grant system will cause considerable controversy.

It argues that the machinery set up under the Industrial Training Act is "fundamentally inappropriate" to the needs of small firms.

The committee suggests that each training board, in consultation with the industry and the Department of Employment, should formulate an appropriate definition of the small firm in its industry and should establish an exemption limit designed to exempt them all from levy.

Companies below these limits should be allowed to "opt in" to the levy-grant system if they wish.

Training boards should consider providing training services for small firms on a fee-paying basis, the committee suggests.

The Bolton Committee concern about excessive form-filling is clearly demonstrated. It wants smaller firms to be exempt from this task wherever possible, and feels that the survey control unit of the Central Statistical Office should be given power to amend or veto all statistical surveys not meeting with its approval on grounds of expense, necessity, coverage or design.

This power of amendment or veto should extend to all departments of Government and to those quasi-Government bodies which commonly issue statistical inquiries.

The use of statutory powers for the collection of statistics should be strictly controlled and in all cases explicitly justified, the committee says, and companies should be told whether the completion of a return is obligatory or optional.

The committee also wants the CSO to tell industry of its plans for developing business statistics as soon as possible, and it believes that account should be taken of the true cost of any statistical exercise, in terms of costs falling on companies and the number of man-hours which would have to be expended.

Policies and administrative procedures giving rise to the need for statistical returns should be reviewed, the committee maintains, and all Departments should review the total costs falling on industry in this field annually.

**Break down the barriers**

Among the other suggestions made by Bolton is that administrative forms should be designed to serve statistical purposes, and all statutory barriers impeding the passage of statistics between different Departments should be demolished wherever possible.

The committee also wants the Government to set up a powerful secretariat to plan an integrated system of administrative and statistical returns based on a data bank, to form the basis for a single and comprehensive system of business records.

Finally, the committee says that statisticians should be more closely associated with policymakers, so that existing administrative processes can be improved and new policies based more firmly on a quantitative assessment of the issues involved.

Turning to monopolies and restrictive trade practices legislation, the Bolton report recommends that greater emphasis should be placed in any consideration of the effect of a monopoly or merger on the maintenance of a balanced industrial structure.

The new DTI small firms division suggested by the committee should examine the whole subject of competition policy as it affects small firms, the report says. Meanwhile, the Registrar of Restrictive Practices and the DTI should take a broad view of any agreement involving small firms.

"We feel that the view taken of agreements involving small firms should extend to the long term, and to the likely effects of the agreements under consideration in preserving in the smaller firms which our industrial structure requires if it is to function efficiently," the report emphasises.

The decline of the small firm sector.

While welcoming the suggestion for the Bolton report's assessment on trading income, the Association says it sees no need for any continuance of discrimination against close companies.

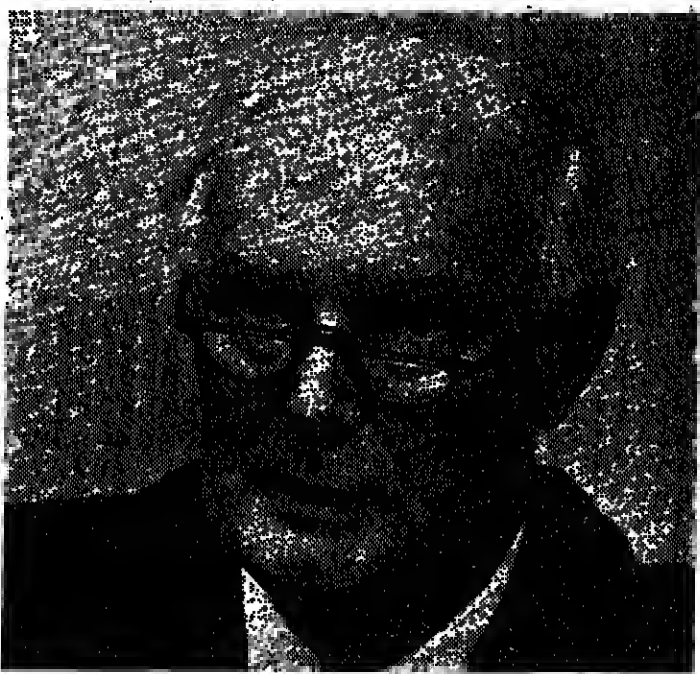
Suggested changes in estate duty relief "do not go anywhere near far enough," says the Association. "We contend that a holding of shares in a private company, or a share in a partnership, or a sole trader, of over ten per cent should be entitled to abatement of duty of 45 per cent."

The Association of British Chambers of Commerce welcomed the idea of a Minister with special responsibilities for small companies. "We doubt, however, the need for local advisory bureaux because Chambers of Commerce do this job and could be expanded to do even more given the right circumstances."

The London Chamber of Commerce and Industry also gave its approval to the "great majority" of the committee's proposals, in particular those on government purchasing policy, form filling, industrial training and planning controls. The Chamber felt the most important recommendation was for more and continuous Government attention to be paid to the health of the small business sector.

A spokesman for the Birmingham Chamber of Commerce and Industry said it would be considering ways in which it could play a part in implementing the report's proposals. "It is particularly encouraging that the committee has advocated removing some of the taxation disabilities which affect the small firm."

The National Federation of Building Trades Employers said the proposals should go a long way to helping the small builder maintain his essential contribution to the industry's work and services.



Mr. J. E. Bolton

It also feels that the Monopolies Commission might study the market power exercised by large firms through their buying policies, and the possible damage which might be caused to the competitive structure of industry through discrimination against small firms which results from it.

The committee suggests that the CBI, or another authoritative source should consider publishing further guidance on restrictive trade practices legislation, particularly trade association recommendations, and information agreements, with special reference to the grounds for exemption from reference to the Court.

Private limited companies with annual turnover below £500,000 should not have to disclose the individual emoluments of directors, the committee says, although they should continue to show the total amount in the profit and loss account.

Private companies should also be exempted from the requirement to disclose turnover when this is below £500,000 a year.

The committee recommends that small firms throughout the U.K. should be relieved of the need to apply for an industrial development certificate when their plans involve the creation of less than 10,000 square feet of industrial floor space.

If it is felt that this should not be extended to all undertakings, the 10,000 square feet exemption limit should be extended to established small firms.

### Displaced firms

Local authorities should be prepared to use their powers to allow the establishment of small businesses in residential areas when this will not detract from these areas' amenities.

The Bolton committee argues that the legal obligation of local authorities to provide suitable alternative accommodation to displaced firms should be extended, and reluctant local authorities should be "encouraged" to cater for the needs of small firms as effectively as those more enlightened authorities.

The committee recommends that the Landlord and Tenant Act 1954 should be changed to require local authorities to pay compensation for compulsory purchase which includes the value of the likelihood of a tenancy being renewed.

All businesses should have a legal right to compensation for loss of trade resulting from nearby redevelopment.

The Bolton report defines eight main areas, in which small firms make a special contribution to the health of the economy.

- 1-They provide a productive outlet for the energies of the large group of enterprising and able people who start great store by economic independence and are less suited to employment in a large organisation.
- 2-In some industries the optimum size of the production units or sales outlets is small and the small firm is often the most efficient form of business organisation.
- 3-Small firms, which can flourish in a limited or specialised market, add greatly to the variety of products and services offered to the consumer.
- 4-Many small firms act as specialist suppliers to large companies of parts, sub-assemblies or components, made at lower cost than the large companies could achieve.
- 5-Small firms provide competition, both actual and potential, and are a check on monopoly profits and on the inefficiency which monopoly breeds.
- 6-Although they account for a small proportion of expenditure on research and development, small firms are an important and low-cost source of innovation in products, techniques and services.
- 7-The small firm sector is the traditional breeding ground for new industries—that is for innovation writ large.
- 8-The sector provides the means of entry into business for new entrepreneurial talent and the seedbed from which new large companies will grow to challenge and stimulate the established leaders of industry.

**Small Firms Report of the Committee of Inquiry on Small Firms: Cmd. 4811; SO, £2.55.**

### SPORT: TENNIS

## A valuable competition for players of all levels

BY JOHN BARRETT

THE BRITISH tennis season is building towards its final show-piece—the Dewar Cup finals to be held at the Royal Albert Hall from December 18 to 20 with the third of the four qualifying tournaments for this event taking place at the Alan Lido, Aberavon, this week.

The Dewar Cup, sponsored by the Scottish whisky company, and now in its fourth year, has become a firmly established part of the tennis scene. It is an outstanding example of intelligent sponsorship geared to the needs of the areas which it serves, areas which at first sight might seem unlikely venues for tennis events.

Almost 20,000 people attended the first two tournaments of 1971 held for the second year at Meadowbank Stadium, Edinburgh, and for the first time at the Forum ice-rink in Billingham. The success in Edinburgh has been particularly pleasing to John Dewar, a director of the company, who spends approximately one quarter of his working year with various aspects of Dewar Cup organisation. Undoubtedly his personal involvement in the detailed organisation of the circuit has been one of the reasons for its success.

The organising committee has never been afraid to break new ground. In 1969 the first event was held in a magnificent new exhibition centre in Dundee which, ironically, is owned by a rival whisky company.

The move to Edinburgh last year and the experience at Billingham two weeks ago suggest that the right framework has been found—a suitable building, preferably modern and comfortable, experienced professional organisation from the centre; a keen and hardworking local committee; a carefully selected nucleus of good players with one or two outstanding names; good stage management and presentation and the involvement of the local community.

Dewar's spend between £20,000 and £25,000 each year on the circuit and feel that this represents an outstanding bargain in any events organised under the control of the 93 nations comprising the International Lawn Tennis Federation. Other concerns of the organisers is that there should be a profit to the game at each centre and they might well become a dwindling number.

They might well copy the use of the Uni-Tuf surface—rubberised carpet—which gives the slow bounce and leads to longer and usually more exciting rallies. This type of surface will be used more and more in indoor stadiums. The players like to meet them in two weeks' time, the best of the local players are encouraged to challenge the touring professionals.

It was a happy moment for the organisers at Aberavon last year when Gerald Battrick, the leading British independent player who hails from nearby Bridgend, won the tournament. He is defending his title this week so that local interest remains high. Again this year there will be a young LTA team competing this time under the charge of former Wimbledon champion Jaroslav Drobný.

Each year the presentation of events has been improved. At each centre the singles finalists are piped onto court by Dewar's own pipers—a nice touch of promotion which distinguishes the circuit from others around the world. At Billingham a spotlight picked out the players as they came onto court and were announced over the public address system.

These touches come at a time when, more than ever, tournament organisers will need to use every means at their disposal to attract spectators to tennis events and more important, retain their interest. From January 1, 36 of the world's leading players, those under contract

will take place after the Council of Ministers had drawn its first general conclusions on the proposal, but before it arrived at a final conclusion.

Although the agreement does not give the U.K. a formal right of veto over Community decisions from now on, it should ensure that no new legislation that might harm British interests in effect, is that the consultation procedures agreed on for the so-called "interim period" between the end of the negotiations and full membership will start to apply from next week—even though the negotiations cannot yet be said to have been formally concluded.

Under the procedure to be adopted by Britain and the other candidate countries will be informed of draft proposals as soon as they have been drawn up by the Brussels Commission. The U.K. can then submit a "reasoned view" of why it would like to be consulted to decide whether technical adaptations or requests for additional transitional periods are necessary.

All legislation not published by November 10, however, will be subject to the new procedures that is to say, the candidates ask for consultation before the final form in which the legislation is to be published.

In another development to-day's session of the negotiations, the U.K. accepted Community proposals for harmonisation of regulations on additives and coloring matter that may be used in the pricing of food and animal feedstuffs. Discussions will take place expert level to see if Britain and the Community can agree common lists of prohibited additives and colorings before the end of entry.

Where agreement is reached, the U.K. will be allowed to continue using additives authorised in the Community least until the end of the year transitional period.

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October 29, 1971

هكزا من الأصول



# 'Definite policy' needed for shipbuilding

BY OUR OWN CORRESPONDENT

IT WOULD BE of great help to British shipbuilding and ship-repairing if the Government were to declare some definite policy for the industry, said Mr. Anthony Greenwell, managing director of the Doxford and Underland group, here to-day.

Speaking after the launch of a 135,000 deadweight ton bulk carrier, Orenda Bridge, from the group's North Sands yard, Mr. Greenwell said a definite policy would enable the industry to plan for the future, instead of being "first-aided" continually and on a most inconsistent basis.

Shipbuilders' most recent disappointment, as far as aid was concerned, was the Bank of England's announcement last Saturday of improved ECGD (Export Credits Guarantee Department) credit terms for all more and new ships except ships.

"I sincerely hope that the Government will approach the Organisation for Economic Co-operation and Development with a view to reducing the interest rate so that new ship orders will be encouraged," Mr. Greenwell added, saying that the majority of shipbuilders in the U.K. had been left with fixed price contracts during recent inflation and as a result faced big losses over the next two years.

The present Government had stated quite clearly that so more



Mr. Anthony Greenwell

SUNDERLAND, Nov. 3.

lame ducks would be given assistance. "I support that policy but if international competition, often on unequal terms, and inflation combine to cripple the industry to the state where the majority of it would disappear, the Government may well be required to answer two vital questions.

"These are: Do we want a shipbuilding industry in the U.K.; and, if so, how big should it be and where should it be sited?"

The size of the industry would be for the Government to decide, and as to the siting the record of the North East Coast was second to none. He pointed out that the shipbuilding and repairing labour force had fallen from 125,000 in 1954 to 66,000 in July this year.

"I would stress that of the vast sums of money injected into the industry since the Geddes Report only a very small proportion has found its way to the North East coast since to this country."

The present position was perhaps the biggest challenge facing the industry since the 1930s but it was one which could be overcome by such Government assistance as was given to its rivals abroad.

Orenda Bridge is being built for Ore Carriers an associate company of Houlder Brothers.

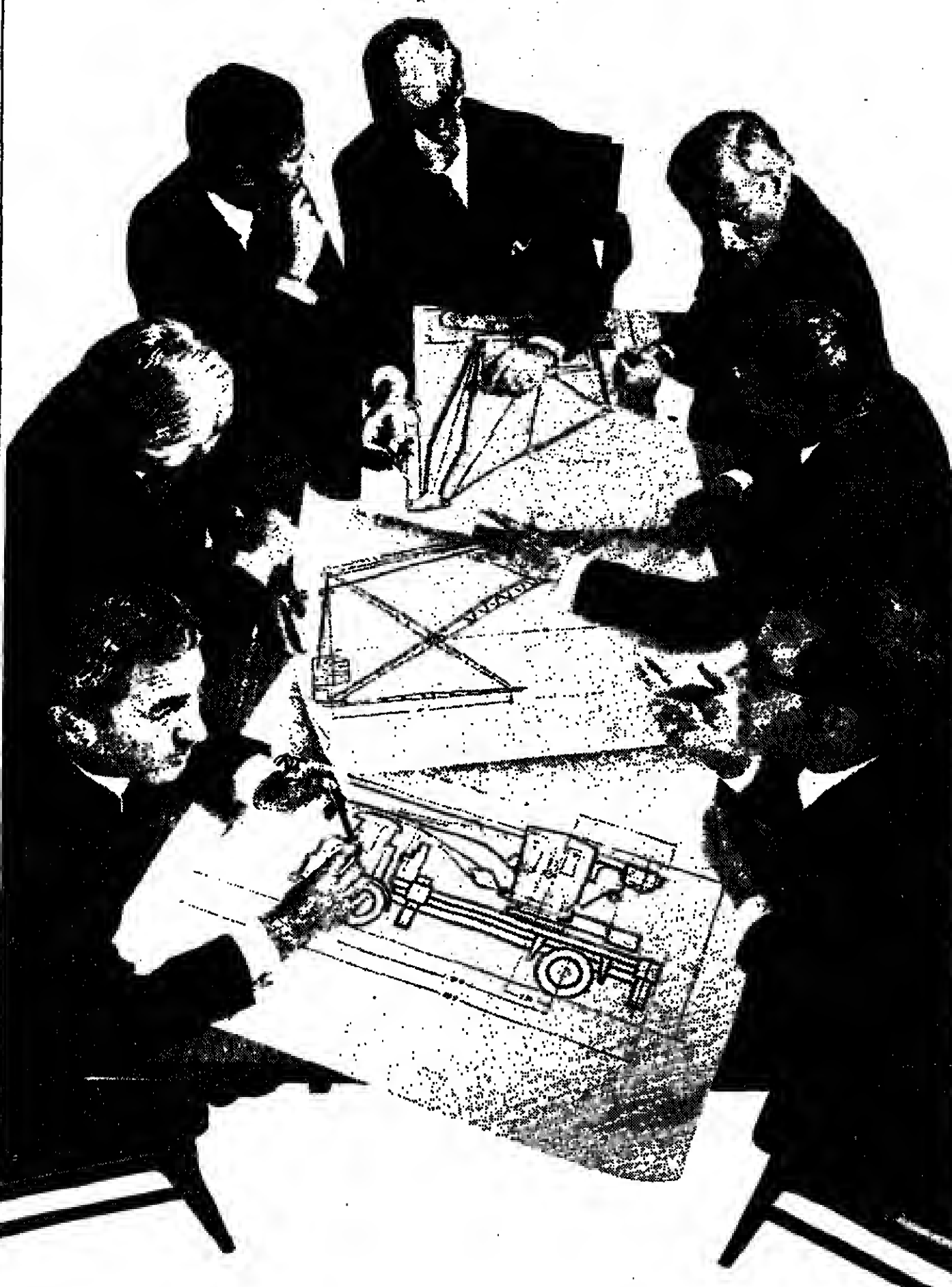
# Caerphilly to have hypermarket

THE FIRST large French-style hypermarket is to be opened in Britain in the autumn of next year. Situated in Caerphilly, Glamorgan, it is to be operated by Hypermarket Holdings under the trading name of Carrefour.

The store, in the suburb of Pontypridd, will consist of a large food hall surrounded by individual departments with store areas at either end. The departments will include a bakery, butchery, delicatessen and fruit and vegetable section. Covering a gross area of 100,000 sq. ft. on the ground floor, the hypermarket will have 55,000 sq. ft. of selling area with a mezzanine floor. Parking is planned for about 720 vehicles with the possibility of expansion.

A spokesman for Hypermarket Holdings, which is owned by Wheatheaf Distribution and Trading S.A. Carrefour Super Marché, said the store was likely to open towards the end of next year, although no definite date had yet been arranged.

Another Carrefour hypermarket is planned for Telford, New Town in Shropshire. The project will also have a floor area of 100,000 sq. ft. but the store will not be opened until September 1973 as it forms part of the town's Phase I development programme.



# £2.5m. public works in North approved

REGINALD MAUDLING, the Minister for the Environment, has approved £2.5m. of public works in the North of England. They are part of the new accelerated capital expenditure programme of public works in the development and intermediate areas.

The projects are 75 per cent. funded, and provide immediate employment opportunities, while the capital expenditure is spread over three years.

Among the types of projects approved are day nurseries, old people's clubs, children's homes, and other health and social services. There are also projects for day centres, community centres, playgrounds, new premises for using aid centres and other services supported by the Department of the Environment.

Approvals for a further £12m. projects, for new nursery schools and nursery classes, are to be made by the Department of Education and Science.

# Duke to address training Board seminar

BY ELSBETH GANGUIN

THE Distributive Industry Training Board has managed to enlist the Duke of Edinburgh's assistance in a promotional exercise. On November 17 over 2,000 shopkeepers will come to the Central Hall at Westminster to attend a DITB seminar on The Development of People in Distribution.

The Duke will address the meeting and take the chair at the morning session. He will thus lend a hand to an ITB just a few weeks before the Government's verdict—in the form of a consultative document—on the future of the industrial training Boards is due.

There is little doubt that it is his presence which will bring the shopkeepers, many of whom are very critical of the DITB's activities, to the seminar.

Other speakers will include Mr. Geoffrey Pinsberg, industrial relations adviser of Great Univer-

sity Stores; Mr. Vic Feather, general secretary of the TUC; and Lord Peddie, former chairman of the National Board for Prices and Incomes.

Further support for the training Boards comes today from the Association of Teachers in Technical Institutions. The association, representing the great majority of teachers in technical colleges and polytechnics, is using Mr. Robert Carr, Secretary for Employment, not to dismantle the industrial training Boards.

The Act, and its implementation, needs strengthening, and any reduction in the scope of the Boards and their powers to stimulate training will be disadvantageous for industry and the economy," says the ATT in a statement which has been sent to Mr. Carr.

In a leader in its paper, Technical Journal, published today, the association calls for a reversal of the present trend towards exempting small companies. It is also suggested that "far from relaxing levy-grant provisions, it would seem that a statutory training requirement may have to be imposed."

The ATT is seeking a meeting with officials in the Department for Education and Science to urge the importance of the further education viewpoint in any proposed changes to the industrial training set-up.

# Wilson to see Schweitzer in Cardiff

By Our Own Correspondent

CARDIFF, Nov. 3.

MR. HAROLD WILSON, leader of the Opposition, is having an informal meeting here with M. Pierre-Paul Schweitzer, managing director of the International Monetary Fund, on Friday night.

M. Schweitzer is to deliver the second Jane Hodge Memorial Lecture that day while Mr. Wilson is addressing a meeting in nearby Caerphilly.

Mr. Wilson, I understand, will meet M. Schweitzer in the evening in the Cardiff city hall, where M. Schweitzer will be the chief guest, following his lecture, at a dinner given in his honour by the Welsh merchant banker, Sir Julian Hodge.

The Jane Hodge Foundation was set up by Sir Julian, who endowed a chair of banking and finance at the University of Wales Institute of Science and Technology with provision for an annual memorial lecture concerned with the science and practice of banking and finance.

The first lecture was given 12 months ago by Sir Leslie O'Brien, Governor of the Bank of England.

# TRAVEL QUIZ ON TUBE

HALF A MILLION Londoners are being asked to help London Transport in planning new Underground services and facilities.

Over the next few months cards will be handed to passengers at all Underground stations, asking for details of their journeys. The answers will help in the planning of the future development and extension of the system.

The first cards, which can be returned to London Transport by post (no stamp needed), or through special collecting boxes at stations, were handed out yesterday.

# INSURANCE MOVE TO BRISTOL

Two City insurance companies, London Indemnity and Life and Equity, both members of the Jessel Securities group, are moving from Fenchurch Street to Northcliffe House, Bristol, from November 15.

The Location of Offices Bureau helped in the move. More than 90 per cent. of staff invited to transfer to Bristol have agreed to do so.

# Chance to visit NASA for European business chiefs

VISIT to the U.S. National Aeronautics and Space Administration is being arranged for European business chiefs. The visit, scheduled for 12 to 18, 1972, for the left of senior European businessmen, providing an opportunity to learn at first hand the scope and activities of NASA and to make personal contact with people engaged on them.

Participation in the visit, which is being organised by the Financial Times, is open to businessmen from all countries of Western Europe. The size of the party will be limited to about 120 people, and applications for it must be accepted strictly in the order in which they are received. The visit will be £387.50 per person. The visit will include briefings with senior officials of NASA at

# HIGHLIGHTS OF CHAIRMAN'S SPEECH TO SHAREHOLDERS AT THE ANNUAL MEETING OF NORTH BROKEN HILL LIMITED HELD IN MELBOURNE ON OCTOBER 28, 1971

# NORTH BROKEN HILL LIMITED

## RESULTS SATISFACTORY DESPITE LOWER METAL SALES AND PRICES

**FINANCIAL**

The profit of North Broken Hill Limited for the year ending June 30, 1971, was \$5.2 million, or \$2.4 million for the previous year. The main reasons for the decrease in profits were—lower metal prices, lower sales and increased costs.

Reduced lead sales and prices had the greatest effect on the Company's revenue. The London Metal Exchange price of lead at the year's opening was \$129 per ton and on June 30, 1971, had fallen to \$110.50, a fall of \$18.50 from the beginning of the year.

Investment revenue increased from \$3.3 million to \$4.2 million. The Company has a number of investments which enable it to meet the setbacks that cyclically occur in the mining business.

Under the circumstances, the result of the year can be regarded as satisfactory. The Board has accepted that the buoyant conditions and easier metal trading of the second half of the sixties are certainly not present at the moment.

**MINE**

After referring to the history of the development of ore at the North Mine, Mr. Baillieu said that, at a depth of 4,200 feet, the ore body enters the Globe Vauxhall Crush Zone. Considerable development and drilling is required to locate the ore body if it passes through the Crush Zone. The No. 3 shaft will be complete and serviceable to the 5,270 feet level in January, 1972 and the first task will be to cross cut through the Crush Zone and then drive north and south to establish sites for drilling at depth. Should an extensive ore body be located, this programme will entail many years of costly developmental work and it is essential that modern methods and modern equipment be efficiently utilised.

Indicated ore to the lowest level is of the order of 7.4 million tons and this is ample to support the exploration programme which is visualised. Silver Peak shaft should be completed by the end of November 1971, and drives north and south will follow. This is an exploratory shaft in an area where indications of ore, through diamond drilling, are encouraging.

**EXPLORATION ACTIVITIES**

The Company's main exploration activities outside Broken Hill are at Mounts and Baratta in South Australia, and Mount Morgan and Mount Isa in Queensland.

**INVESTMENTS**

Alcoa of Australia Ltd. in which North has a 12% interest, earned a consolidated net profit of \$17.1 million in 1970. It paid \$4 million in dividends, a distribution of less than 25% of its net profit. The hope is that Alcoa's earnings and dividends will continue to increase as a result of its enormous investment programme.

The Broken Hill Associated Smelters Pty. Ltd. reduced its production during the year because of reduced world demand for both lead and zinc.

● The Zinc plant at Port Pirie is now working well. Through its wholly-owned subsidiary, Kemble Coal and Coke Pty. Ltd., B.H.A.S. has a very important interest in coal on the south coast of New South Wales. The colliery expansion programme, which commenced in 1969/70, is now nearing completion and earnings should begin to show the result of this large investment.

● Electrolytic Refining and Smelting Company of Australia Ltd. incurred substantial losses on copper stocks held through a period in which the price of copper fell sharply. This was the major reason for its reduced profit.

● Metal Manufacturers Ltd. reported a profit of \$4.5 million in the year ended December 1970, which was a reduction of \$3.1 million compared with the previous year. Again, the fall in profit resulted from losses in metal trading and copper inventories. The L.M.E. price of copper fell from \$41,500 to \$4940 per ton between January and December 1970.

● North has a 19 1/2% interest in Kanmenloo Mines Ltd. which was formed to open up a copper ore body at Kanmenloo in South Australia. Concentrate production has commenced on a limited scale and full production is expected to begin in November this year. The copper concentrates produced will be sold to Japan.

With the intention of broadening the base of its investment income and increasing the yield, the Company invested in industrial shares and disposed of some of its investments in mining company shares during the year.

**THE FUTURE**

Mr. Baillieu said that free world production of lead in 1971 is running some 9% below last year's level, while consumption has fallen only marginally. Continued market depression arises from a number of factors, including a high level of stocks on the L.M.E., a weak industrial climate in Europe and the effect of the U.S. import surcharge. Recent statistics on the U.S. lead market reveal some signs of improvement.

With current zinc production running below current consumption, stocks have shown a return to more normal levels and there are some signs of improvement in the market for zinc.

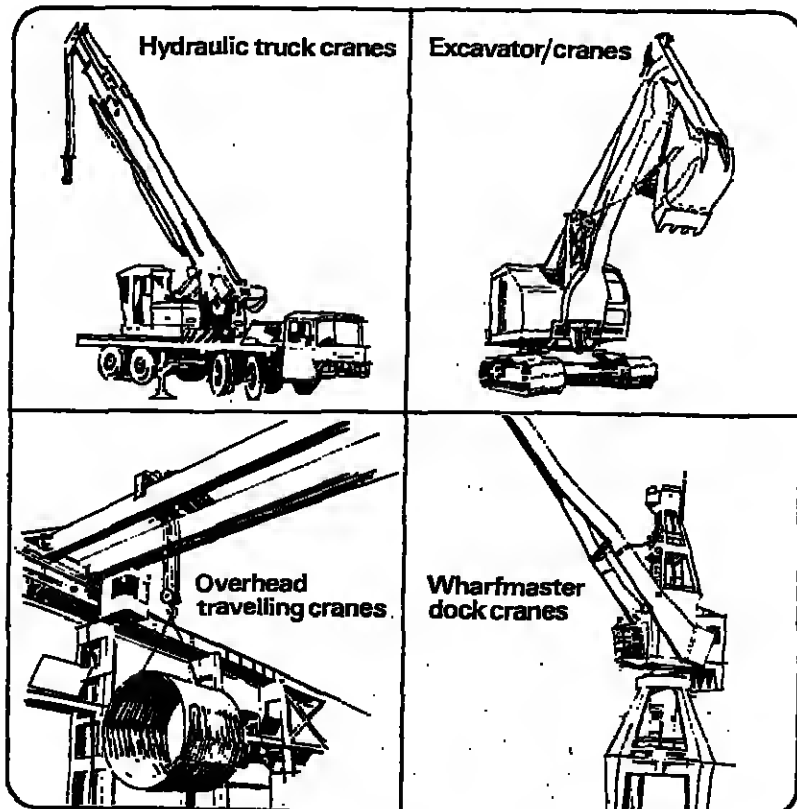
Silver no longer is regarded as a currency hedge and large stocks held by speculators are being liquidated. However, commercial usage is greatly in excess of production and this in the long run must be reflected in better prices.

**CONCLUSION**

Mr. Baillieu pointed out that rises in costs and industrial uncertainties appeared to be overhauling the whole pattern of Australia's industry and this must have some effect on the Company's investments. However, the Company's interests are broadly based and are expected to contribute substantially to its income in the future.

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Why tie yourself to an investment plan for the next 25 years? Invest in a scheme that gives you security now - yet lets you keep your options open to allow for different circumstances in 10 years' time.

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You decide to invest a fixed sum regularly in a Unit Trust for ten years. (The units credited will, in general, be more than your actual payments.) For the whole of that ten years, while your investment is building up in the British Life Balanced Fund, you've got the security of knowing your dependants are protected by Life Insurance. But at the end of ten years, your circumstances may have changed. So the following choices are then open to you...

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2. You now have school fees to pay, so you want to realize your investment but in instalments. You simply opt for your money to be paid to you as and when you want it - monthly, quarterly, or yearly, as you wish. In this way, the portion of your capital that remains invested continues to earn interest. So the total sum you'll receive will add up to more than the lump sum payment.

3. You don't want the capital yet and can afford to continue your monthly investment. Easy. You can choose which Unit Trust from the British Life stable you want to invest in. All your contributions are invested, except for nominal 2% per year handling charge. (This remains constant, whatever the size of your investment). And your life insurance cover continues at no extra charge.

4. You don't want the capital yet but need to cease further investment. The whole of the units credited will be allowed to stand, with a reinvestment of income.

5. You require cash. The investment may be cashed at any time, but after ten years the whole of the units credited is allowed.

The logical answer. In these days of rapid change, you can't know for certain what your requirements will be in 10 years' time - let alone 20 or 25. Yet with inflation rampant, investment is more important than ever. The British Life Freedom Plan is the logical answer for the shrewd investor who wants to retain his freedom to benefit from a quickly changing situation. Fill in the coupon for the Freedom Plan Brochure or see your broker.



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## COMMERCIAL RADIO AND THE NEW BILL

# The guessing game continues

BY ARTHUR SANDLES

PART OF THE FUN of the tition and the Mechanical Reproduction Society. All of these it, like the preceding White will want to see some return. Paper, raises more questions on the additional entertainment than it answers. The buck has been sent out that will come been passed firmly to the Independent Television Authority. The Musicians' Union might soon to be the Independent prove to be more amenable over Broadcasting Authority, and "needle time" than at first enlarged by perhaps 150 people. appears. The IBA will almost including the new "Mr. Com. certainly build up a "live music mental. Radio. Mr. John fund" from excess rentals Thompson.

The Bill has hardly a word to sponsorship: to create work for say on hours, ownership (apart musicians, and local stations from the provisions on news, wave- create musical jobs. However, lengths, station ranges, advertising time, needle-time, pop music be arduous and sufficiently or the good old broadcasting call lengthly even perhaps to delay for the need to "educate, the introduction of the first stations. It is a crucial area, since upwards of 15 per cent of advertising revenues (once amount of lobbying over the coming months. Mr. Thompson to various organisations for the rights to play music.

With so much left to talk since upwards of 15 per cent of advertising revenues (once amount of lobbying over the coming months. Mr. Thompson to various organisations for the rights to play music.

To some extent the BBC has been able to get round this. Its own severely restricted needle-time is gathered heavily into one channel, Radio 1, and it is possibilities raised by the Bill, with this channel that commercial radio will have to do battle.

THE nitty gritty of commercial radio, of course, is how much revenue the system will produce and by how much this will exceed the cost of operation, if by anything. Estimates vary considerably, and for the moment, they can only be estimates. It is conservatively suggested that the initial commercial radio network will gross around £8m. a year. Others put the figure as high as £30m. But since no-one has yet had the benefit of knowing how many stations there will be in the early years, on what basis they will be run; or even where they will be; it is difficult to regard the guesses as to the size of the market with any confidence.

There is built into the Bill some guard-against too much networking... that the programmes broadcast from different stations for reception in different localities do not consist of identical or similar material to an extent inconsistent with the character of the services as local sound broadcasting services. Whether this means that a local station can put out four hours of networked pop with an occasional break-in by a local disc-jockey to give a news flash or a weather report plus local advertisements will be up to the new IBA.

But much more serious for the IBA will be the negotiations which it must now undertake with the various interested parties, the Musicians' Union, Equity, the Performing Rights Society, Phonographic Protec-



Mr. Christopher Chataway: wide powers handed to the new IBA.

It is clear just what the economics of the situation are, and who are keen to get in on an act in which they see themselves having some expertise.

For all these the real "plums" will be the major cities: London, Manchester, Birmingham, and the central news tract. The lobbying for these at the moment is frantic, since there is considerable newspaper overlap (papers are entitled to a holding in areas where they have a consequential circulation) and because the opportunities for "networking" will be great. It is also taken for granted that the London and provincial capital situations will become profitable much more quickly than stations in country areas.

In order to make profits, a station will need to build up deep penetration of its available audience in a relatively short time. The 20 per cent or less that a morning BBC programme might achieve, will simply not be good enough in most locations. Indeed, in order to get the revenue of £150,000 plus that even a small station will require to operate successfully, it would probably need to achieve 40 per cent audience penetration. The advertising rates would have to be around 25p per 1,000 homes (for 30 seconds), which compares with television's 80p.

It is debatable whether or not radio will in fact be able to have come true.

achieve substantially higher ratings than the BBC currently manage. The E will still have local stations in 20 centres and will effect by operating on channels. Past form of the alon shows that the Corporation is not slow in responding commercial challenge, and therefore unwise to assume the BBC's efforts in this field will remain static.

But the facilities for networking and the emergence of substantial groups in commercial radio could make it quite able of putting up a fierce One-new idea which is going support is that there should not only be "prime" stations on the commercial system, also satellite operations. To satellites could operate on a staff budgets and with basic facilities indeed. number of hours of local nation would vary according to the size of the area, with majority of hours being with programmes taken the nearby "mother ship." Radio Birmingham could serve half a dozen other land towns, Radio Bristol a feed material to a string of Country areas, and Radio Chester could emerge as the in a web of stations in North-West. This system under active consideration.

### Pre-occupied

However, we shall have to wait for some time before we know the final details of IBA proposals. That august must first be authorised by passing of the Bill before it officially make any moves. way its hierarchy is currently preoccupied with the intricacies of the battle for a channel for commercial television. Until the Authority decides on the basic guide for applicants, the game will have to continue. The big question is, what the size of the game? At taking of £5m; £12m; or £20m. On the performance of commercial radio in other countries takes less than 10 per cent of the total media advertising in the U.S. and Germany, rather more than in France. If that does prove £20m. If that does prove the radio men's dream have come true.

### Trial runs

Commercial television takes around £100m. a year from the advertising market, and it is unlikely that radio will do more than nibble into that. It is more likely that it will woo a large quantity of local advertising away from provincial newspapers and that it will also create a market of its own. At first the Independent Broadcasting Authority will indulge in trial runs with adjustable and negotiable contracts until

## Youth careers advisory service - recent gains 'at stake'

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

CAREERS advisory services for young people have expanded steadily since the report of the last National Youth Employment Council on its three-year term of office, which ended on March 31. However, the report, published today gives a warning that during the present decade the school-leaving age group will increase by around 3 per cent a year. So "unless there is an equivalent increase in the staff of the service the achievement of recent years will be eroded."

In many schools, careers teachers are co-operating with the Youth Employment Service to provide an integrated careers service. Even so, the report says, that the careers work done in the majority of schools "reflects outdated concepts."

"Too" often young people and

some secondary schools fail to realise that by entering too narrow a range of studies at an early age, they have in effect made, or been guided towards, a career decision which may have been none of their choosing, and which reflects neither their potential nor interests nor what would have been their eventual field of choice.

### Eight weeks

The report calls for more vigorous action by industrial training boards to encourage employers to provide, wherever possible, at least eight weeks' on-the-job training for young workers. "We are also seriously concerned that, contrary to expectations, the work of the industrial training boards has not resulted

in any significant increase in numbers of young people in employment who are granted release from work for purposes of further education." The report also complains of a "hide-bound attitude to the employment of young women in traditionally done by men. It is strong in the main in factoring industries and girls' their parents still seem to fear the traditionally female occupations."

School careers programmes acquainting girls with work would only have been thought unsuitable, and more players are being encouraged to increase the range of jobs to women. Yet progress in coming old prejudices of concepts is slow.

The Work of the Youth Employment Service, 1968-71, SO, 4

## Wool blend emblem for Viyella

By John Trafford

WILLIAM HOLLINS, the Carrington Viyella subsidiary, has been granted the world's first licence to use the International Wool Secretariat's "Woolblendmark" emblem. It will be used on the company's "Famblat" line of 55/45 wool/cotton blended fabrics used in shirts, dressing gowns, pyjamas, women's blouses and nightwear and children's wear. The company's entire range of Viyella products will carry the Woolblendmark.

Because of "pipeline" problems, the first Viyella merchandise carrying the emblem are unlikely to be in the shops until the autumn of 1972. Joint advertising of Viyella and Woolblendmark will begin in the trade press next spring.

The IWS announced in September plans to promote the wool rich blends in 11 categories of textiles. Sixty per cent is the minimum wool content normally admissible under the scheme.

## Architects' reservations on unions Act

BY OUR ARCHITECTURE CORRESPONDENT

THE Royal Institute of British Architects does not consider the Code of Industrial Relations Practice, issued by the Department of Employment, a consultative document, fully reflecting Government undertakings given during the passage of the Industrial Relations Bill, to take account of the special circumstances and responsibilities of professional employees.

The RIBA, moreover, feels that the Act will prove inequitable if some specific safeguards are not associated with it to protect the position of those employees who have an obligation to uphold a professional Code of Conduct.

It, therefore, strongly supports the statement of principle laid down in Section A, Paragraph 17, of the Code of Practice, which states: "An employee who belongs to a profession with a recognised code of conduct has an obligation to comply with that code."

"He should not be called upon by his employer or by any trade union."

Following on this, the RIBA considers it "obviously inequitable" that membership of the Commission should include representatives with responsibility for ensuring the views and requirements of professional organisations are given adequate consideration.

The RIBA, in submitting this memorandum to the Department, expresses the hope that this principle would be invoked on rare occasions as (at least in the case of architects) most responsible employers and professional organisations have always recognised it.

An assurance is sought, however, by the RIBA that the mission on Industrial Relations will rely on Section A, Paragraph 17, in cases referred to it concerning conflicts of interest of this sort.

Following on this, the RIBA considers it "obviously inequitable" that membership of the Commission should include representatives with responsibility for ensuring the views and requirements of professional organisations are given adequate consideration.

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## HTV serves Wales and the West of England

HTV has created two major independent television services covering two entirely different areas - Wales and the West of England.

Yet HTV has never lost sight of its responsibility to explore and reflect the character of the area it serves, and in doing so it has become an integral part of the life of the region.

In the current year, HTV is producing over 700 hours of programming for Wales and the West of England and for distribution in the U.K. and overseas.



Pretenders - 13-part children's serial.



Doctor William Price - a documentary on the life of the father of cremation in Great Britain.



Thick as Thieves - an HTV drama for the network.



Dinas - a Welsh language drama.



News - separate nightly news programmes for Wales and the West of England.

هنا من الأخبار



# Australian PM for week of talks in London

BY OUR FOREIGN STAFF

WILLIAM McMAHON, the Prime Minister of Australia, is in London at the start of a week of talks with the British Government. High on the agenda will be a two-hour discussion, probably next Wednesday, with Lord Carrington, Minister of Defence.



Mr. William McMahon

Mr. McMahon is also expected to meet the Secretary of State, Mr. Anthony Rippon, Minister of State for Foreign Affairs, and the Chairman of the Commonwealth Secretariat, Mr. Sir Alec Douglas-Home, the Foreign Secretary.

The international monetary fund will be discussed when Mr. McMahon meets Mr. Rippon. He will also meet the Governor of the Bank of England, Mr. John Davies, Secretary for the Treasury, and the Singapore Minister, Mr. Lee Kuan Yew, who is in London on an official visit, spent an hour at the Foreign Office yesterday with Mr. Douglas-Home. Their talks were wide-ranging, but concentrated particularly on South-East Asian defence matters, and the recent decision of China to withdraw from the United Nations.

Mr. McMahon will be meeting Mr. Douglas-Home some time next week.

## Weldless Steel to sack 140

Financial Times Reporter

ABOUT 140 employees at the Wednesfield, Staffordshire, factory of Weldless Steel Tube are to lose their jobs. The company, part of the steel tube division of Tube Investments, said last night the reason was the low level of demand for seamless steel products.

The plant employs 1,500 workers. Eighty staff as well as 60 hourly paid workers will be affected. The company put a four-day working week into operation in March and is now working a three-day week. Even this low output level, however, is not being matched by current demand.

A spokesman for TI Tubes Division commented: "Initially, the number of declared redundancies will be reduced by early retirements for men near 65 and by providing for voluntary redundancies." The redundancies would not be declared until the end of December, he added.

## Call for commission on council finance

FINANCIAL TIMES REPORTER

A CALL for a Royal Commission on local government finance came last night from the Association of Municipal Corporations.

At the same time the association argues that the forthcoming local government finance Bill should improve the effectiveness of the rating system.

The re-rating of agricultural property, more effective rate rebates, and the full rating of Crown properties and nationalised industries should be considered, says the association. It also urges the abolition of controlling capital spending by

## Yorkshire Bank home loans plan revised

Financial Times Reporter

YORKSHIRE BANK, the Leeds-based bank owned by the London clearing banks, has increased the maximum offered under its house purchase loans scheme from £6,500 to £8,000, in view of the new credit control system.

Mr. E. C. Muxlow, the general manager, said yesterday that the Yorkshire Bank had been offering 20-year term loans since March 1966, but the plan had not been publicised because of credit restrictions.

"We now have no difficulty in allocating part of our funds to meet the needs of good potential borrowers. At present our advances amount to less than one-third of our total resources," he said.

While not offering the full 25-year repayment period common to most building societies, the Yorkshire Bank was confident that its terms would be of particular interest to those buying a house for the first time.

New borrowers will pay interest at a rate of 8 per cent, but existing borrowers will continue to pay 6.5 per cent until January 1, 1971.

## REDIFON SIGNS ENTREX CONTRACT

Redifon has signed a further long-term agreement with Entrex Incorporated, of Burlington, Mass., U.S., for exclusive U.K. marketing rights of the Seecheck key-to-disc data preparation system and long-term U.K. manufacturing rights for the system.

Redifon is part of the Redifusion Organisation.

## Transmeridian buys British Air Ferries

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE INDEPENDENT air transport operator Transmeridian Air Cargo, has bought the entire share capital of British Air Ferries from Air Holdings Group. The value of the deal is not disclosed.

The operations of both companies will be merged as soon as possible to form the UK's largest independent airlines, with a fleet of 14 aircraft—nine swing-tail CL-44 and five Caravelle cargo and passenger aircraft. Almost 400 staff will be employed.

Sole shareholder in the new airline will be Mr. T. D. (Mike) Keegan, who will be chairman and chief executive. Managing director will be Mr. A. L. McCleod. Further appointments to the Board will be announced in due course. Executive directors include Mr. L. L. Orr (sales director), Mr. D. J. Platt (projects director) and Captain J. Cooke (chief pilot and operations director).

British Air Ferries currently operates scheduled passenger, vehicle and cargo services from Southampton to Le Touquet, Ostend and Rotterdam. Transmeridian is a Stansted-based all-cargo world-wide charter airline.

A primary objective for the future is the establishment of scheduled vehicle, passenger and cargo services to Switzerland, serving Basel and Geneva from Stansted and Coventry airports.

Mr. Keegan says: "We now have a number of scheduled routes into Europe and it is our intention to expand them as soon as possible, also further to develop our fast-growing, world-wide cargo operation."

"During 1970 these two airlines carried almost 30,000 tons of cargo, 300,000 passengers and 20,000 cars."

British Air Ferries will specialise in mixed operations throughout Europe and will gradually absorb the entire CL-44 fleet. Transmeridian will continue its expansion of long-haul cargo routes through the acquisition of large jet aircraft. Mr. Keegan says he intends to make the new group Europe's largest and most competitive cargo carrier.

## VW offers 1700 engine for vans

THE Volkswagen commercial range can have a power boost for 1972 with a 1700 cc engine as an optional extra.

The twin-carburettor engine, similar to that fitted to the VW Golf, is being offered as an option to the commercials to give a claimed top speed of nearly 80 mph. This more powerful version will also be fitted with radials. The range retains the 1600 cc engine as standard equipment, running on cross-ply tyres.

All vehicles in the range are now fitted with the built-in test circuit for VW computer diagnosis. Further improvements in exhaust emission control and the engine cold-running characteristics have resulted from the fitting of a new distributor, and to modifications to the air pre-heating and control systems.

## WESTERN REGION TO IMPROVE RAIL CATERING

MEALS in British Rail's Western Region restaurant cars will remain at the standard price of £1.10 for lunch and £1.35 for dinner, but an improved range of menus from Monday will feature additional items.

Gaelic coffee—with a double tot of whiskey—will be sold for the first time and a new high tea will be introduced in the late afternoon air-conditioned Pullman services.

## Italy purchasing more imported cars

BY PETER TUMIATI

THE RATE of increase of car registration is slowing down in Italy while the share of the market held by imported cars is creeping up. These are the changes indicated by the registration returns available up to the end of September.

For the nine-months period car registration increased by 6.5 per cent in September. However, the held second place with a very slight increase on last year. Britain (not including Innocenti vehicles) took fourth place with 3,464 units (2,903 last year), a long way behind Germany and France. Third place this year again went to the Netherlands with 3,846 units.

In September their share of the market rose to 31.8 per cent. If Innocenti-assembled cars are added to this percentage it goes above 35 per cent of the total.

The number of cars imported by Italy rose for manufacturing countries except Germany which, even so, with 189,280 units, is still Italy's biggest supplier. France came second with 159,280 units, followed by the U.S. with 159,280 units, followed by the U.S. with 159,280 units.

## Pakistan moves troops to counter Bengali rebels

DACCA, Nov. 3.

PAKISTAN Army has reinforced regular troops engaging small rebels in heavy fighting in the Bhola Island, where food relief for the hardest hit area of last year's cyclone was virtually suspended, according to reports here.

Regular army units, withdrawn from the southern islands last August, are now being sent to the East Pakistan coast, where they are returning to the river of Barisal, 20 miles West of Dhaka. The reports said the army, which had left defense of the island to militia and volunteer units, was establishing a brigade in Sal.

## Barbican: Laing to complete Phase 2

Financial Times Reporter

AT TO-DAY'S meeting of the City Corporation Court, of London, the Barbican Committee will recommend that the contract to complete the unfinished Phase 2 of the Barbican project should be awarded to John Laing Construction.

Basis of the contract will be the payment of a charge for management and profit, comprising a lump sum of £55,000 and 7.5 per cent, on the value of the prime cost of the works.

Turiff Construction withdrew from Phase 2 in August, when it estimated the value of the outstanding 20 per cent of work on the contract at £3.7m.

## Turnover index up 18 points on last year

THE Midland Bank Index of Business Turnover (1968=100) fell by three points to 143 during the third quarter of this year. This seasonally-adjusted index rose by four points, and at 147 compares with 139 for the third quarter of 1970, a rise of 18 points.

The regional indices (1968=100 and not seasonally-adjusted) show falls for all regions except Northern, unchanged at 161, and South West, where an increase of six points to 159 was recorded. The largest increases as compared with the third quarter of 1970 were for the South West and the South East.

## GOLDERS GREEN CINEMA SITE REDEVELOPMENT

Outline planning permission has been granted for the erection of a cinema, two-storey car park and supermarket on the site of the Ionic Cinema, Golders Green, N.W., British Cinematograph Theatres announced.

As soon as arrangements are finalised with J. Sainsbury for the redevelopment of this site full details will be sent to shareholders.

## Events

### To-day

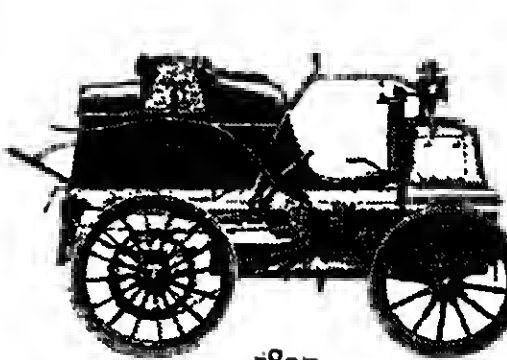
PARLIAMENTARY BUSINESS—House of Commons: Debate on the Queen's Speech.

House of Lords: Debate on the Queen's Speech.

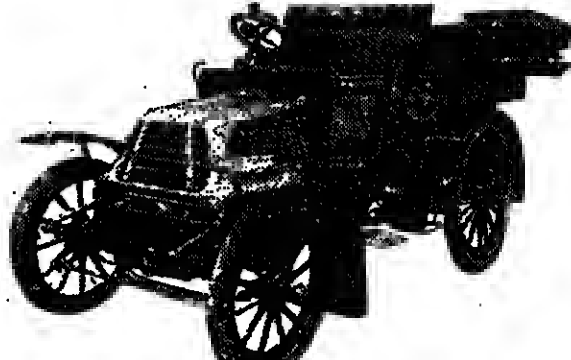
SOCIETY OF INVESTMENT ANALYSTS. Meeting to be addressed by Mr. G. T. Goldsmith, group financial controller of Guest Keen and Neithelands, at the Library of the Institute of Bankers, 10, Lombard Street, E.C. 4, 5.30 p.m.

COMPANY MEETINGS—GRAND CENTRAL INVESTMENT HOLDINGS, 37, Queen Street, E.C. 4, 12.30. (Chairman, Mr. A. H. McCleod.) JONES SEWING MACHINE, Audenham, 12. (Chairman, Mr. E. J. Egan.) LONDON WEALTHY SECURITIES, Winchester House, E.C. 4, 12. (Chairman, Mr. M. J. Moore.) INVESTMENT COMPANY, 21, Mincing Lane, E.C. 3, 12.30. (Chairman, Mr. L. C. Toppin.) PERKINS AND WILKINSON TEA, 23, (Chairman, Mr. J. K. Moore.) SMITH PARKINSON AND CO., 11, 12, 13, 14, (Chairman, Mr. W. M. Pryor.) WILKINSON WARRINGTON, Pudding, 11.30. (Chairman, Mr. F. D. Marshall.)

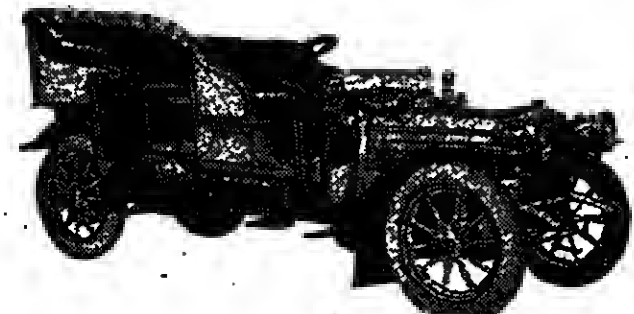
Every Daimler is a little better than the one before it.



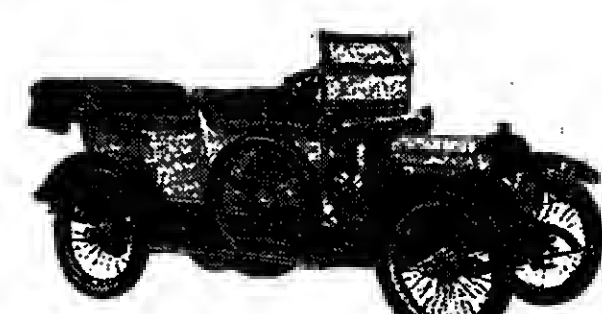
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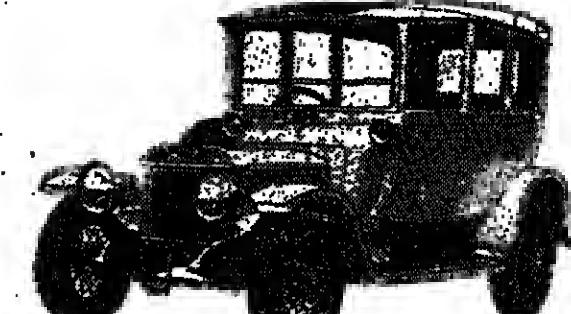
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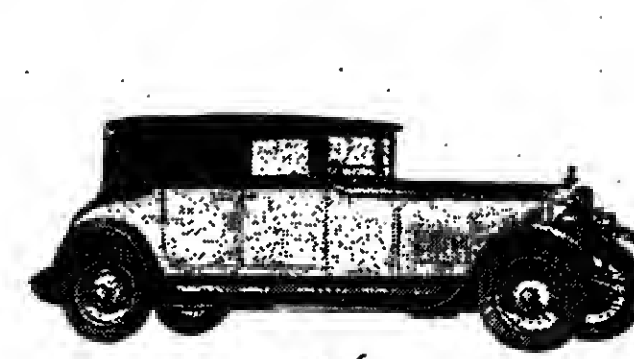
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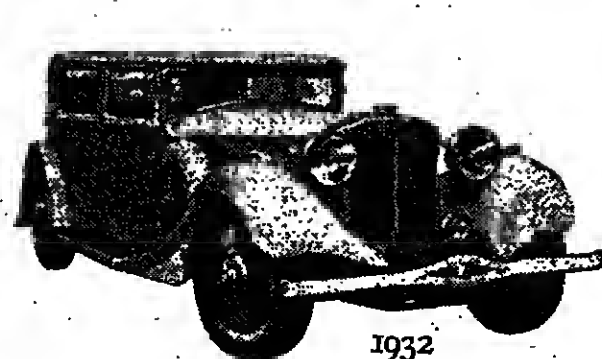
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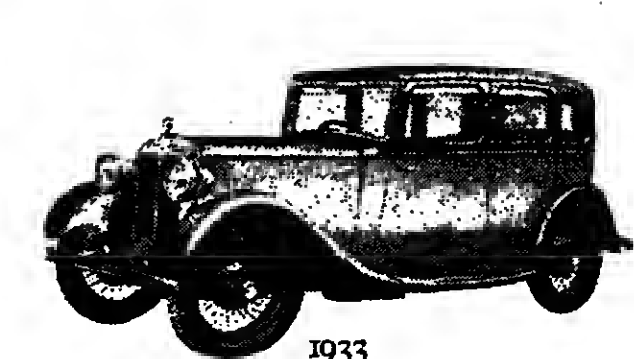
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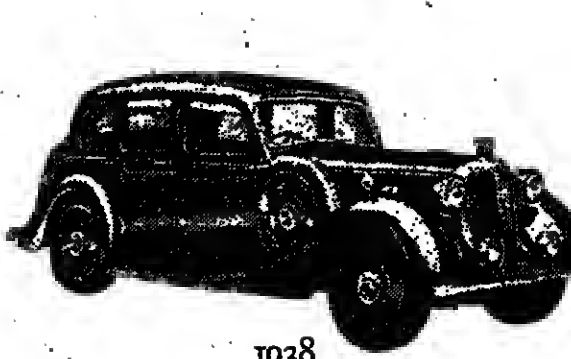
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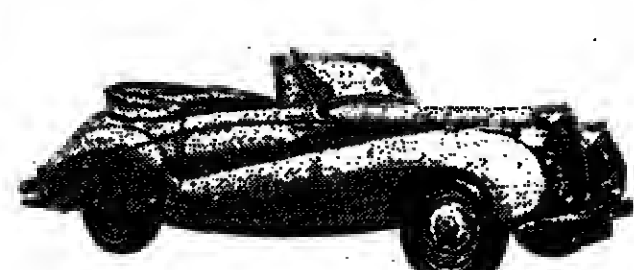
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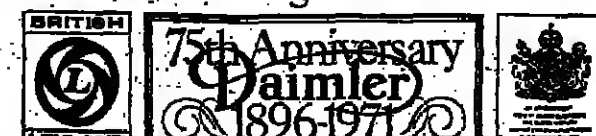
1960



1971

One of the first cars in the world was a Daimler. And every model since has moved a little closer to the ultimate in comfort, quiet and safety.

There are lots of people who believe the Daimler Sovereign has reached it.



The Daimler Company Ltd., Coventry.  
Recommended prices from £2754.38 including purchase tax.  
Seat belts and delivery charges extra.

## PLASTOCRAFT PRODUCTS (DARWEN) LIMITED

the Annual General Meeting held in Manchester on November 3, T. CLARKE, the Chairman, reported a trading of £30,463 for the year ended August 31, 1971. No dividend was recommended.

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# BOOKS

## Heenan's way

BY ROBERT NOWELL

Not the Whole Truth by John C. Heenan, Archbishop of Westminster. Hodder and Stoughton, £2.75. 324 pages.

For a Roman Catholic priest to visit the Soviet Union in 1969, at the height of the Stalinist terror, was something exceptional. Yet the young Father Heenan's motives were quite simple. He wanted to find out for himself what conditions were really like in Russia in order to be able to counteract left-wing and Communist propaganda. At the same time he does not seem to have taken a closed mind with him on the journey. He could note that for the real Communist was a real religion and that a Communist would react to criticism of Stalin in the same way as a Catholic would react to an attack on the Pope. Much of what he saw and experienced in Russia confirmed his worst suspicions, but still he came away with a strong sympathy and liking for the Russians and for some aspects of Soviet life. It took him some months after his return to become reconciled once again to the world of commercial competition.

The description of this visit, with his return by way of the opposite extreme of political tyranny in Nazi Germany, will for many readers provide the most interesting (and unexpected) section of Cardinal Heenan's autobiography. It shows an awareness of and curiosity about the greater world in which he was living which he does not always succeed in expressing in describing other aspects of his life as a priest.

He does indeed continually insert references to the growing desperation of the political climate in the thirties, but these never seem to be fully integrated with the fabric of his life in the way.

Yet the trip to Russia was in no way out of character. He was intelligent and hard-working; luck and scholarships took him via the Jesuits at Stamford Hill to Ushaw and Rome. Unfortunately he found himself studying for the priesthood at a time when the Church was at its lowest ebb, and his interest in

philosophy, aided by an agnostic cousin who introduced him to the writings of Bertrand Russell, never seems to have been able to overcome this initial handicap. It must be this which explains the impatience he is sometimes capable of showing at the theological ferment which now marks the Church: his considered reaction to it seems rather wishful, a recognition that an important change has come too late in his own personal and intellectual development for him to be able fully to benefit from it.

Certainly his ambitions, if that is the right word, seem to have lain in the field of pastoral work rather than in the more intellectual sphere of theology for which he could have been a priest. And pastoral work too suited his idea of the priesthood. It was a life of self-sacrifice and abnegation on the one hand, of acting on the other as the devoted father of his flock in a paternalistic style that today seems no longer adequate but then seems to have responded to ordinary Catholics' needs. He hints at a distinct possibility of marriage which threatened his vocation at a time when the discipline of celibacy was beyond question. A priest he found himself subject to the arbitrary authority of his bishop: grateful though he himself may be for this schooling in obedience, the rest of us may legitimately wonder whether this kind of life was either necessary or salutary.

There is, too, in his image of the priesthood a certain tension between the human and the professional. He suggests that a priest's relationship with his parishioners should be on a personal rather than a professional basis. Fortunately recent developments in the Church have helped to break down this rather dubious distinction, and our ministers are now beginning to realise that the effectiveness of their ministry depends on their effectiveness as human beings. Certainly in this book it is John Heenan who is describing his life for us, the John Heenan whose human qualities enabled him to work effectively as Father Heenan and later, after this volume concludes, as a bishop.

Anthony Trollope by James Pope-Hennessy. Cape, £5.00. 398 pages.  
Trollope artist and novelist by Ruth ap Roberts. Chatto and Windus, £2.25. 203 pages.  
It has been predictable—and

in fact predicted—that Trollope was going to be one of the next great literary figures. Even so, no one could have anticipated this supreme double event. Mr. James Pope-Hennessy's biography of Trollope is by far the best yet written; and Dr. Ruth ap Roberts has produced by far the best critical analysis of Trollope's art. It isn't often that a reviewer can make statements as absolute as that, but I do so now without a shade of qualification and with gratitude.

Mr. Pope-Hennessy had a very difficult job, and a number of choices to make. One of the difficulties, and the most obvious, is that Trollope had an unusually active extra-literary life and in addition wrote an unmanageable number of novels, nearly 50, a larger creative output than that of any major novelist except Balzac. This means that his biographer, if he decided to deal with him in anything like the form of Edgar Johnson's Dickens or Scott, would need, at least, three volumes. One alternative would be to follow Gordon Haigh's practice on George Eliot, and exclude criticism altogether, leaving the writing of the books just as facts in his life-as-lived. But Mr. Pope-Hennessy is not such a purist as that, and ultimately came down about halfway between the two distinguished American scholarly biographers. He has, with literary taste, composed a single volume with a good deal of biographical detail, some quite new, and fairly succinct criticism of each of Trollope's books interspersed among the narrative, not separated as in Edgar Johnson.

This makes the book very easy to read and attractive to read, and probably means that it will not remain for a long time the definitive biography, whatever that horrific word implies. Someone will come along with, maybe, even now beginning, a work of the Edgar Johnson proportions. But whoever does that will find that, in the most essential respect of all, Mr. Pope-Hennessy has written something like the definitive words. For he understands Trollope as a man to a depth that no one has reached before him. In particular, he has transcended the second, less obvious and far more formidable difficulty that faces a Trollope biographer. He has seen right through the obfuscations which Trollope threw up himself. To penetrate into his inner temperament, one has to cut away the veil of his own autobiography, his own most misleading documents in all literary history.

This story is well known. Trollope, like Dickens, knew great suffering as a child, suffering that went on, longer than Dickens, into his young manhood. But, in the end, that experience worked itself out in



Cartoon of Trollope by Frederick Waddy, 1972

different expressions. Dickens never came to terms with his. He never forgot, or tried to forget, or accommodate the black and white of his life-as-lived. At least as internally sensitive, certainly more diffident, made a life-long effort to harden and simplify his character. He didn't want to stay vulnerable, he wanted, at least on the surface, to be an upright, hearty man among fellow men. In his art, fortunately for all of us, the ambiguities, delicacies, emphatic antennae still remained. Not in the face he presented, and wished to present, to the outside world—and perhaps often to himself.

Mr. Pope-Hennessy and this is his major contribution to the realisation of Trollope, has the clinical insight, and also the affection to see this as no biographer has seen it before him. Perhaps it was a help to be the grandson of the original Pinches Finn (that attribution seems pretty certain). More likely, Mr. Pope-Hennessy is simply blessed with an abnormal perception, which has given him independent judgment. He says, of the penultimate paragraph in the autobiography, which for nearly a hundred years has bemused so many:

"This self-portrait by one of England's greatest novelists is, as a matter of fact, both smug and deceptive. Alive,

Anthony Trollope had learned to conceal his quivering sensibility by adopting a loud extroverted manner. He was uncertain whether he would be read by posterity, but if he were to be so he wished to represent himself as a dull, straightforward old party who wrote novels at a mechanical speed and with moralistic aims. We can only conclude that he wrote *An Autobiography* with this misleading aim in view."

Mr. Pope-Hennessy has all the virtues that a biographer needs, including narrative skill and, specially important with this subject, sympathy with Trollope's geographical curiosity and a knowledge of most of the places Trollope travelled in. Above all, though, he has confidence, no arrogance, which leads to debunking, but confidence in his own sense and feeling. This again makes him unique among Trollope biographers, for it gives him the strength not to be an apologist or patronising Michael Sadleir, writing at a particularly silly time in artistic fashion, did fine work but—against his innermost judgment—could not prevent himself being both. Now, Mr. Pope-Hennessy does not apologise; he would feel no such temptation—for referring to Trollope as one of England's greatest novelists. Of course he

was, and many of us have been too cowardly to say so.

Dr. Ruth ap Roberts is not at all too cowardly to say so. She has written not only the best piece of academic criticism of Trollope, but also a work which has an importance above and beyond that. It is the voice of a new school of academic thinking, almost entirely American, about the novel-art itself. On the facts there is no information about Dr. Roberts except that she works in the English Department at the University of California at L.A. From internal evidence, she is immensely well-trained, in the best American manner, with a great deal of knowledge of philosophy and theology, and considerable tenderness for the Anglican Church. She knows Trollope as well as Mr. Pope-Hennessy knows him, approaches him with the most modern and sophisticated American academic confidence as Mr. Pope-Hennessy does with much insight. Not unnaturally, their views converge.

Her most original perception into Trollope's art in particular is what she calls his "shaping principle," that is his use of complex ethical situations, to which there is no answer in dogmatic linear terms. This is an elementary example is *The Worden*: who is right, who is wrong, in this special case can anyone be totally either? What is right action for Harding, for Bold? Is there any right action? It is just these dramatic situations, caustical in the theological sense, those human exemplifications of situation ethics which define the structure of much of Trollope's art. They give him the scope for his marvellously fluid, ironic examinations of human personality. All that apparently easy, unexciting psychological narrative (which obtuse persons have thought naive, about a writer who couldn't have been less so) leads towards moral choice and action. The moral choices are shared the moral choices are shared as much embodied in special human cases, as any in fiction, or as any that we have had to meet in our own lives. It is here that his moral irony is, at its most acute.

On individual books, it is interesting to see, though not astonishing, for their intuitions are similar, that she and Mr. Pope-Hennessy usually agree. They believe that the Palliser series is his greatest achievement, with *The Duke's Children* expanding its special radiance; but that *The Last Chronicle of Barset* was the most remarkable single work, and certainly Mr. Cawley the character which shows Trollope's psychological gifts at their highest. For myself, I should agree with all that if one can't understand *The Duke's Children* and *The Last Chronicle*, one can't understand Trollope; and further one can't understand the novel-art which Dr. ap Roberts is, with such mastery, talking about.

## Inform workers says Sir Reay

BY ELSBETH GANGUIN

"IT IS the duty of management to ensure that working teams have full knowledge of how they are performing and what they can do to make things better for themselves and the company," Sir Reay Geddes, chairman of Dunlop Holdings, said in a paper prepared for yesterday's Industrial Society "new action" lunch in London.

Well-informed about stewards involved with consultative processes within the company were better equipped to act in an advisory role to their full-time officials in negotiation.

However, with the advent of the Industrial Relations Act and the Code of Practice it was very important to distinguish between the presentation of that sort of information with a view to information for negotiating purposes, Sir Reay declared.

"Dunlop at Work in Britain," issued with the annual report and accounts, provided information to identify areas of common interest with the company's employees, but negotiation with trades unions was presenting a very different situation, in any bargaining situation, one party attempted to persuade, convince and cajole, and in extreme situations to coerce the other to agreeing terms.

"During the course of negotiations, the parties attempt to extract valuable negotiating information from each other, and in doing so, seek to strengthen their bargaining position. In these times of buyers' markets and powerful and competent unions, the company must avoid confusing their willingness to disclose information concerning their performance, including that of their employees, with the sort of information that might be used to strengthen the bargaining position of accomplished negotiators," Sir Reay stressed.

Generally, negotiators would not be in the present balance of bargaining power, their lack of difficult enough. "It seems too hard to volunteer so much in advance as to make it impossible. Such a viewpoint can seem reactionary; this is not the intention of Dunlop."

It is important in trade union negotiations, to change the balance of the argument. It must surely be better to move away from the intellectually unsatisfactory power-based confrontations which occur only too frequently at the moment, and come to a situation where the arguments are more soundly based on facts and agreed fact and analysis. The better the trade union response was to such an approach the less defensive would management be, and the better would be the chance of avoiding irresponsible claims.

Earlier, Sir Reay said the philosophy behind "Dunlop at Work in Britain" was that in all human affairs "an end of term report is as essential to a honest judgement of a company's human assets as it is to its financial assets." All the same, what he said was that information had to be interest outside, it had been made with little general interest about Dunlop's own employees.

"Clearly, greater efforts have to be made to educate the employees as to the reasons why continuous production processes reduce cost; why efficient work practices help to maintain a market share; and why good industrial relations are essential to uninterrupted production—a satisfied customer."

In short, every opportunity to be taken to discuss with, and involve employees in, those aspects of the business over which they have some influence and to which they can bring a contribution.

## Survey finds some hotel price rises not justified

BY ELSBETH GANGUIN

BETWEEN 1962 and 1966 the relationship between the prices of hotel rooms and the index of retail prices was fairly constant, but between 1967 and 1971 the rise in room rates was 65.58 points, compared with a rise of 35.3 points in the cost of living.

The explanation was the introduction of SET in September 1966, which increased labour costs by 5 per cent, to 8 per cent, and the Hotel and Catering Industry Training Board's imposition of a 1 per cent levy on gross pay, says Mr. Richard Kotas, of Survey of the Hotel and Catering Industry.

He has just completed a research project on price trends in hotels and restaurants. Part of the findings are published today in the Institutional Hotel and Catering Management.

Mr. Kotas investigated 478 hotels, 100 of them in London. This sample, he reckons, "was

about 8 per cent of all hotels in the country. Single room prices and double room rates rose at a faster rate than in hotel costing, which tends to increase at a higher rate than prices generally. That the gap had widened considerably since the introduction of SET.

He blames "overreaction" by the ITB levy for the rise in hotel prices. "Panicky" hoteliers increased their rates, "justified" by the SET and, this sample, he reckons, "was

## Chimp power

BY SARAH PRESTON

In the Shadow of Man by Jane van Lawick-Goodall. Collins, £2.50. 256 pages.

Intimate Behaviour by Desmond Morris. Cape, £1.95. 233 pages.

It took the young Jane Goodall over six months in the Gombe Stream Sanctuary on the shores of Lake Tanganyika to overcome the chimpanzees' innate fear of man and allow her to watch his most intimate activities. To-day at the Research Centre she now runs there, but even then she had to devise means to stop the chimps from raiding their camp for banana titbits.

The story of this rapprochement between man and beast is fascinating even if one suspects by the end that her successful breach of isolation may make problems in evaluating the Chimpanzee's future work. Through careful observations Jane Goodall established two important facts. She found that chimpanzees eat meat and even occasionally hunt larger mammals for themselves. Second, she discovered that they not only use objects as tools but actually make tools. She watched a pair of chimpanzees she named David Greybeard and Goliath stripping the leaves off twigs to make them more suitable for catching termites. Previously it had been thought that man was the only tool-making animal.

An appendix of nine pages summarises her scientific find-

ings. David Bygott's drawings in this appendix and Hugo van Lawick's photographs throughout reinforce the serious side of the book. For the rest it must be said that in *In the Shadow of Man* as much about Jane as about the chimpanzees. You have to admire her pluck as a single-minded but unqualified naturalist (aided at first by an outstandingly stalwart mama). It is also nice to read about her happy meeting with the brilliant animal photographer Hugo van Lawick who became her husband in 1964. But as with the earlier Goodall-van Lawick book, *Innocent Killers*, it is the dispassionate biology that holds the reader.

In *Intimate Behaviour* Dr. Desmond Morris claims that he again takes the stance of the ethologist watching animal life to look at the various forms of physical contact we humans have with each other whether through "a handshake or a copulation, a pat on the back or a slap in the face, a manicure or a surgical operation." Some of his conclusions seem too obvious to be interesting, others too fantastic to be taken seriously. Didn't we all know that a warm bath (and hence the new American water bed) takes us back to those comforting waters of the womb? A fur coat may remind some women of the softness of their mothers' bodies but if milk is a symbol surely it's one of status. In many of Dr. Morris's enumerations of sexual and social behaviour, which manage to be simultaneously portentous and titillating, I longed for the equivalent of Jane Goodall's mountain peak from which she watched real chimpanzees do things she had recorded.

It is easier to generalise from her observations of individual creatures than it is to give individual credence to his generalisations. It is not good enough for a work that claims to be of scientific import to say that most of the statements concerning body contacts are "based on my own personal observations" and have been "inseparable" ever since. The worthy man, or young, rich or poor, urban or rural, black or white, co-operating or uncooperating. Such a cavalier approach to the general reader is a pity as there is something to be said for Dr. Morris's thesis that modern man suffers from an unsatisfied need for body contact.

## Fiction Surgeon's knife

BY ANTHONY PAUL

Paradise by Alberto Moravia. Secker and Warburg, £2.25. 222 pages.

The Life Guard by John Wain. Macmillan, £1.75. 172 pages.

The Girl from Petrovka by George Feifer. Macmillan, £1.95. 251 pages.

All the miniature stories (there are 34 of them) in Alberto Moravia's *Paradise* are told by women. They tend to pass their time between the bedroom and the car, they are likely to be naked under their fur coats, and the weapons with which they confront life are make-up, barbiturates and fantasy. Their middle-class ennui breeds, amid the oppressive clutter of material possessions, sadomasochistic impulses and uncomfortable insights into the nature of their lives. They are separated from themselves, from their bodies by the urban cage, from their spirits by cliché and convention. They strive to reconstruct or imitate what they

suppose to be reality. The couple in *A Game*, play platitude-spotting with one another, but are forced to recognise that they can't keep it up: they need the clichés they have grown up with. The woman in *At the Restaurant* has a horror of the way her husband acts out family life as a set of senseless gestures; another woman realises that she is a character in a Verdi opera, and the harder she works at being herself the more Rigoletto she is.

We have met these alienated bourgeois before: in Antonioni's films, in Bunuel's *Belle de Jour*, in Pavese's stories, and before them, in the earlier stories and novels of Moravia himself, who has, after all, been a pioneer in this country of blank hallucinated faces. Moravia's style is terse, dry, pruned to a minimum; he has no time to spare for the consolatory trivium of social existence, but cut through to the essential, like a surgeon making a practised incision, indicating and briefly describing a tumour, walking

away. Some of these stories seem at first sight banal, some are slight—though none are trivial—and their studied impersonality might be mistaken for contempt. But the dryness and apparent banality are descended from Flaubert, and the simplicity is that of a late Matisse drawing.

After Moravia's cool detachment, John Wain is warm, concerned, responsive to the surface textures of life. Indeed, his personal sympathies intrude judiciously on one or two of the stories in *The Life Guard*, the Amis-like buffeting of trends and pseudos is a jolly sport, but it damages the last two stories, the slimy *You Could Have Fooled Me*, and the over-extended *A Man in a Million*. Here Mr. Wain's opinions cloud his normally keen powers of observation.

But the best of this collection is very good: crisp, solid stories that grasp the whole operation of a life and identity at a crucial moment. In the title-story, for instance, the young life-guard who was to be somebody and do something stages a sea-rescue that turns to disaster: he discovers instead a new murderous self, glimpses the tunnel of his life ahead. The innocent presents in an economical handful of observations and images the predicament of a man corrupted by his family, then mysteriously released from anxiety when he runs over, then buries, a badger. These two stories and a couple of others set up wide ripples in the metaphorical work as topographical sketches, suggesting the curve and direction of the life of which they examine a particular patch. So, although this is a smaller, more uneven collection than Mr. Wain's earlier *Death of the Hind Legs*, it has, to say the least, its moments.

*The Girl from Petrovka* is a novel that has unusual claims on our attention, for it is a bright, clear, ice-berwood-like picture of a milieu few people can claim to know. George Feifer spent three years in Moscow, and has married a Russian. So his account of Moscow and the soft, warm personal underbelly of the Soviet tortoise is presumably as authentic as it appears.

The heroine, Otkyabrina, is a convincing and engaging figure, a bohemian, an odd exotic exception to the regimented rule, a heretic butterfly doomed to be broken on the wheel. She is a lively creation, though out quite strong enough to do all that Mr. Feifer asks of her, for he has made her a peep for all sorts of comments on Russia, and a gallery of somewhat representative characters.

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## U.K. ECONOMIC INDICATORS

U.K. ECONOMIC INDICATORS									
		1971			1970				
General	Unit	Oct.	Sept.	Aug.	Oct.	Sept.	Aug.		
Unemployment...	'000s	897	894	859	898	887	859		
Unfilled vacancies†	'000s	159	169	179	244	244	244		
Bank advances ...	£m.	6,206	5,877	5,852	5,737	5,737	5,737		
Gold reserves ...	£m.	2,171	2,089	2,003	1,141	1,141	1,141		
		1971			1970				
Basic materials and fuel prices††	1963=100	Sept.	Aug.	July	Sept.	Aug.	July		
Wage rates...	Jan. '66=100	224.8	223.5	222.6	199.9	199.9	199.9		
Retail prices ...	Jan. '62=100	155.3	155.2	155.2	141.5	141.5	141.5		
		1971			1970				
Retail sales vol.**	1966=100	Aug.	July	June	Aug.	July	June		
H.P. Debt†	£m.	1,459	1,407	1,403	1,316	1,316	1,316		
Terms of trade ...	1961=100	109	108	108	104	104	104		
Indust. output**	1963=100	125.6	125.9	127.5	124.4	124.4	124.4		
		1971			1970				
Trade and industry		Sept.	Aug.	Jan.	Sept.	Aug.	Jan.		
Imports f.o.b.***	£m.	740	697	710	704	704	704		
Exports f.o.b.***	£m.	797	769	729	712	712	712		
Visible trade balance**	£m.	+57	+72	+20	+8	+8	+8		
Steel (wkly. av.)*	'000 tons	469.0	446.4	470.2	541.8	541.8	541.8		
TV sets†	'000s	307	322	324	217	217	217		
Radioes, gram.†	'000s	86	83	70	86	86	86		
Man-made fibres†	m. lbs.	112.1	100.0	112.2	112.3	112.3	112.3		
Cars*	'000s	159.2	118.9	140.7	100.3	100.3	100.3		
Comm. vehicles*	'000s	41.28	28.28	37.81	27.41	27.41	27.41		
Houses compl'd†	'000s	29.4	26.0	28.0	30.1	30.1	30.1		
Cement (weekly average)*	'000 tons	362	337	340	343	343	343		
Bricks†	millions	581	511	524	543	543	543		
		1971			1970				
Catering turnover	1964=100	Aug.	July	Aug.	Aug.	July	Aug.		
Furniture†	1963=100	147	152	147	150	150	150		
Motor trd. turnover	1967=100	138	132	131	105	105	105		
Clothing*	1963=100**	148	148	147	131	131	131		
Engin. and Elec. (orders on hand)	Dec. '63=100	120	119	119	123	123	123		
Raw wool§	m. kilos	8.9	10.2	11.7	9.0	9.0	9.0		
		1971			1970				
Ready-made clothing (orders on hand)**	Dec. '62=100	July	June	July	July	June	July		
Petroleum†	m. tons	168	174	187	145	145	145		
Electric cookers†	'000s	62.0	75.4	75.0	69.6	69.6	69.6		
Washing machines†	'000s	40.8	47.9	54.5	43.5	43.5	43.5		
Wool cotton (weekly av.)§ ...	'000 tons	2.39	2.47	2.92	2.97	2.97	2.97		
		1971			1970				
Textiles (orders on hand)**	Dec. '62=100	June	May	Jan.	June	June	June		
		125	124	122	130	130	130		
		1971			1970				
Consumer spending**	£m.	3rd qtr.	2nd qtr.	to date	3rd qtr.	to date	3rd qtr.	to date	to date
Factory approvals	1963 values	6,080	5,940	17,533	5,995	5,995	5,995	5,995	5,995
	m. sq. ft.	15.1	14.9	48.2	21.3	21.3	21.3	21.3	21.3
		1971			1970				
Machine tools†	£m.	2nd qtr.	1st qtr.	to date	2nd qtr.	1st qtr.	to date	2nd qtr.	1st qtr.
Building and civil engineering*	1963 values	45.6	55.6	101.2	48.3	48.3	48.3	48.3	48.3
Electricals*	£m.	1,384	1,238	2,622	1,261	1,261	1,261	1,261	1,261
	'000's	1,384	1,238	2,622	1,261	1,261	1,261	1,261	1,261
	metric tons	374.9	375.8	750.7	388.5	388.5	388.5	388.5	388.5
Production: † Deliveries: ‡ Net sales: § Consumption: ¶ Gr. output, not seasonally adjusted. ** Seasonally adjusted. †† Non-food manufacturing industries. ‡‡ Including car radios.									

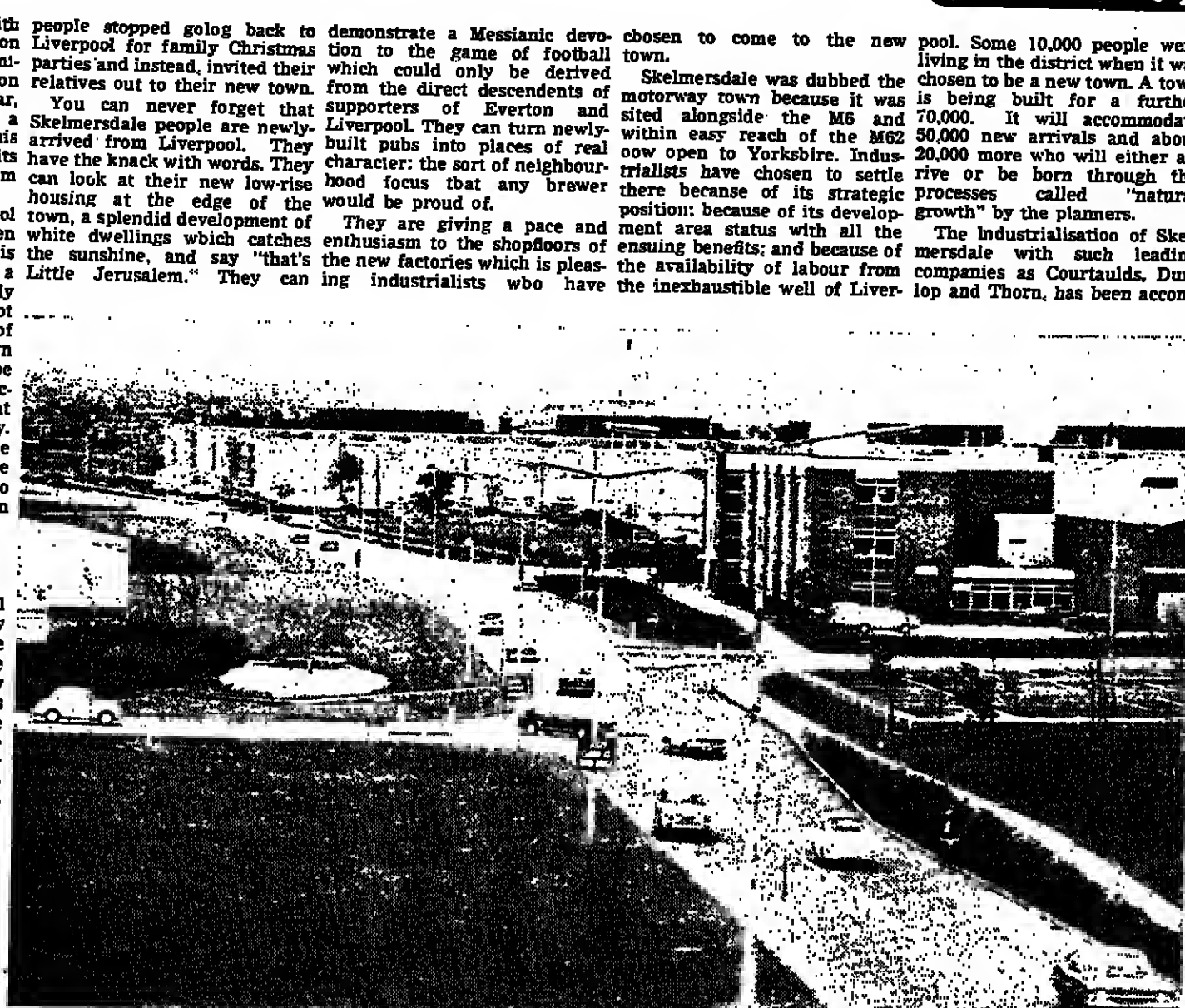
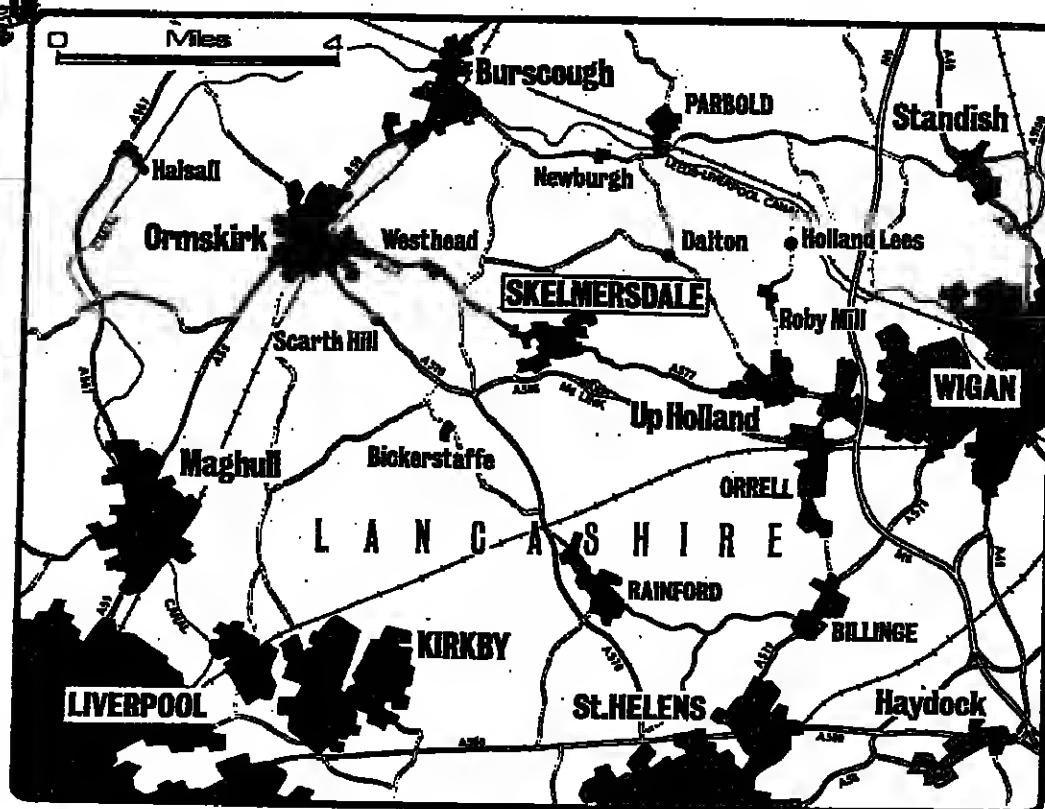


# SKELMERSDALE

FINANCIAL TIMES SURVEY

## Confounding its critics

By ROY HODSON, Regions Editor



Prophets of woe forecast that Skelmersdale could never happen. The Liverpoolian, they said, was such an individualistic and difficult character that any attempt to transplant him to a new town in the wilds of Lancashire was on a hiding to nothing. The moan of the Mersey tugboats certainly cannot be heard in Skelmersdale. There is not a dock crane within sight. Yet Merseysiders have demonstrated their adaptability to change by settling in this new town and making it their own.

Building started in 1964. It was to be a complete new town of some 80,000 by 1980. In short, it was to be a transplant of the Liverpool and its neighbouring areas. Before the economic recession began to bite two years ago Skelmersdale had already confounded its critics by proving itself the most rapidly growing new town in all Britain. Things have slowed down a lot while industry has been unwilling to invest. There is no despondency, however, among the people responsible for the administration of the new town. They believe that the virility shown by Skelmersdale when economic conditions were favourable in the 1960s can be repeated to make the new town a going concern during the 1970s as it expands towards its ultimate size.

The town is set in the classical landscape for a successful town. A shallow saucer with a low rim of hills and high land in the background. In too many cases the cap of smog and factory smoke, however, is of a

later generation. It started with rigorous control of air pollution and has never been contained. I have seen the town on an autumn day basking in clear warm sunshine as if it were a Mediterranean settlement. This aspect, at least, is novel to its many citizens transferred from Liverpool.

The mixture of Liverpool character and the rich, green site of mid-Lancashire which is Skelmersdale has produced a strange new town. It is already clear that Skelmersdale is not likely to adopt the character of the traditional Lancashire town where clogs, cotton, and tripe and cowheel, were basic characteristics of a way of life that persists lustily even today. Skelmersdale is the wholesale transference of the unique Liverpool spirit inland; and so far it seems to be succeeding in that objective.

**Novel idea**

To begin with it was a novel idea to Liverpoolians. They moved to Skelmersdale because work and housing were to be found in the new town. They still regarded themselves as members of that strange tribe living on the banks of the Mersey. But how quickly their attitudes changed. By the late 1960s Skelmersdale had become "Skem" to everyone in the area. Skem had achieved a personality of its own. It was not any more a place of exile for Merseysiders. I believe the turning point came when Skem

chosen to come to the new town. Skelmersdale was dubbed the motorway town because it was sited alongside the M6 and within easy reach of the M62 now open to Yorkshire. Industrialists have chosen to settle there because of its strategic position; because of its development area status with all the ensuing benefits; and because of the availability of labour from the inexhaustible well of Liverpool. Some 10,000 people were living in the district when it was chosen to be a new town. A town is being built for a further 70,000. It will accommodate 50,000 new arrivals and about 20,000 more who will either arrive or be born through the processes called "natural growth" by the planners.

The industrialisation of Skelmersdale with such leading companies as Courtaulds, Dunlop and Thorn, has been accompanied by a continuing interest by small men anxious to base fledgling enterprises in the town and to make use of the labour so readily available. The public sector investment is running at more than £2,000 per head of population. It sounds a lot of money but the town authorities are much encouraged by the willingness of the small business to take a chance on Skelmersdale. The greatest success of the new town authorities during the past 18 months has been the building and letting of "nursery" factories of between 3,000-6,000 square feet for companies anxious to establish themselves as manufacturers. The initial heavy public investment for each job provided will begin to look much healthier if a continuing flow of small but enterprising businesses into Skelmersdale can be achieved.

The interest of small firms has enabled Skelmersdale to base its growth on a remarkably diversified industrial pattern. Even during the recession growth continued across a broad spectrum albeit at a slower pace. Male employment continued to increase and at no time did the steam go out of the drive to create this mid-Lancashire town.

**Library facilities**

Central library facilities are about to be provided—Lancashire County Council has been prudently buying the stock of books for several years past—and among a number of other social amenities being offered are a sports centre and a new ecumenical centre for general use by all churches.

Skelmersdale seemed at the beginning a long shot to wean away the chauvinistic Liverpoolian into Lancashire. But it is a gamble which is succeeding to the point that only a minute percentage of people want to return to Liverpool after moving out to the new town. They are much more likely to use their new-found affluence to buy houses in the area and adopt Skelmersdale as their own for themselves and their children.

OMIC INDIC

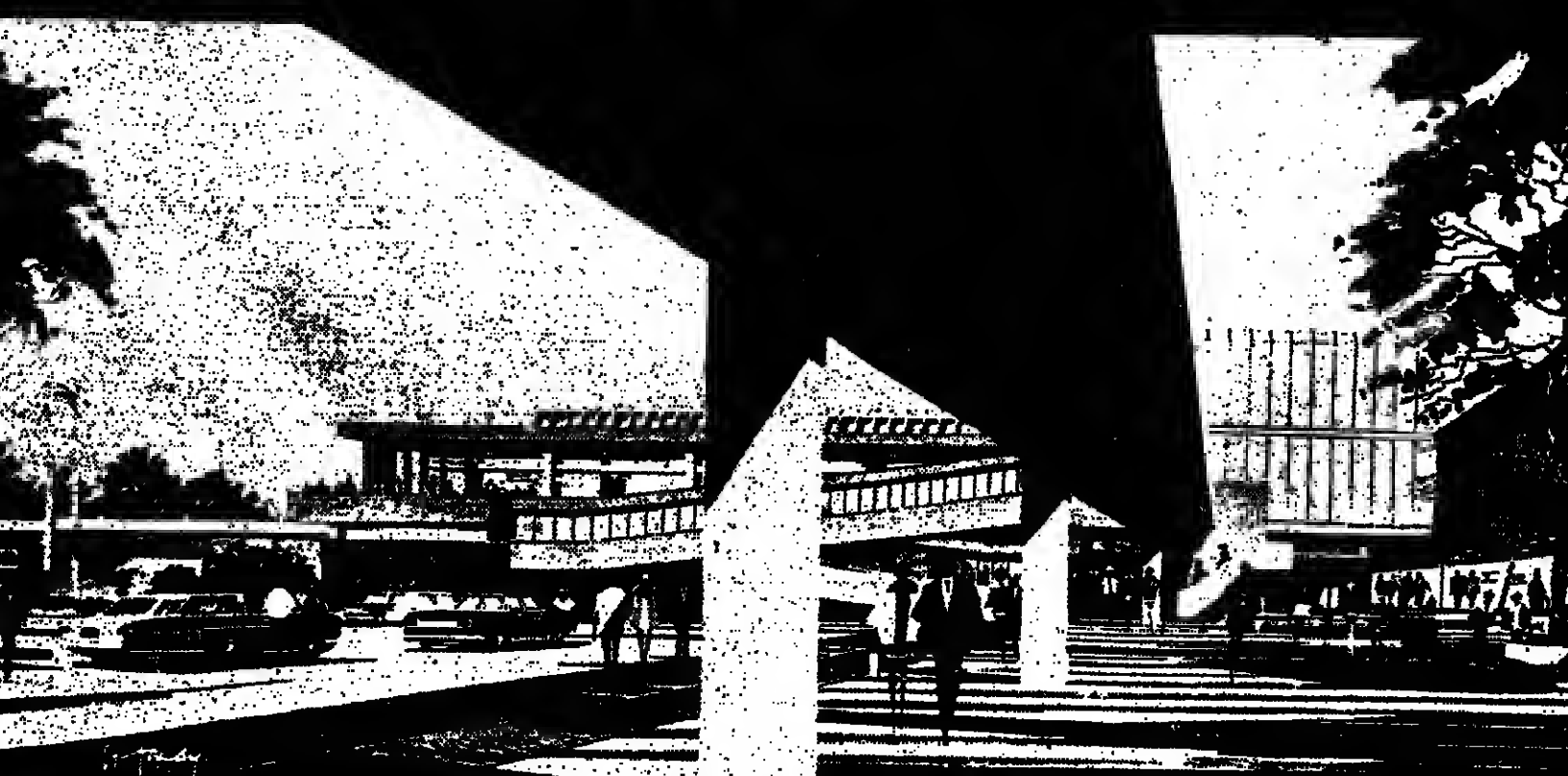
1971	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Q1	84.7	85.1	85.5	85.9	86.3	86.7	87.1	87.5	87.9	88.3	88.7	89.1
Q2	139.1	139.5	139.9	140.3	140.7	141.1	141.5	141.9	142.3	142.7	143.1	143.5
Q3	150.1	150.5	150.9	151.3	151.7	152.1	152.5	152.9	153.3	153.7	154.1	154.5
Q4	165.1	165.5	165.9	166.3	166.7	167.1	167.5	167.9	168.3	168.7	169.1	169.5

1971

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

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## SKELMERSDALE II

# An outstanding record in attracting industry

By A CORRESPONDENT

On paper, the inducements a square foot, and other com- that Skelmersdale offers to panies from as far away as industry and commerce are Canada. Even during the similar to those advanced by recession the demand for them other new towns in most other has been consistently high. Yet parts of the country. They they are let at rack rents and include good road connections attract no grants.

For the other, larger indus- trial units the financial induc- ements are considerable. As Skelmersdale is in a develop- ment area, the first two years of rent can be waived, there is a grant given of 35 to 45 per cent of the building costs, total depreciation over a year, to- gether with training and re- moval grants. If one adds to this the accessibility both of the motorway and of the modernised port of Liverpool, one would have thought that the attraction would have been irresistible.

### Higher costs

This is not so. Allowing for a degree of industrial retrench- ment, it is apparent to the Skelmersdale authorities that many firms—particularly in the south-east of the country—are prepared to hear far higher rents and wage hills in order to stay where they are. Though the Department of Trade and Industry offer every induc- ement for the companies to move, Skelmersdale suffers in common with other northern new towns from this reluctance.

Indeed, it is a recognisable phenomenon for the town to receive visitors who are going the new town rounds seemingly to find reasons in each why they cannot move there. In the case of Skelmersdale they might cite the absence of a direct rail link. In other towns they make similar excuses. Commercial development is much harder to achieve. The town has a current population of just under 30,000 of which some 20,000 are new residents. It also has under construction a town centre planned for ambitious commercial develop- ment. There is one drawback. To attract the national multipla stores in sufficient numbers, the population of the town needs to grow to at least 40,000. Under- man at an average rent of 50p.

### "Nursery" factories

One of their most successful innovations has been the con- struction of "nursery" factories at the rate of 12 a year. These are completely finished small units—with an area of between 3,000 and 6,000 square feet, ready for occupation as soon as the customer can instal his machinery. They attract the small, independent, business- man at an average rent of 50p.



A computer paper processing machine at Hamilton, Marlow, Datalist Limited.

commitment. This is not only true for the larger shops, but also for entertainment facilities such as cinemas. The present shopping facili- ties consist of two shopping centres—mainly of small shops, banks, 30 small to medium groceries and supermarkets, some of which are still avail- able for letting. For the rest of their needs the ex-Liverpool population travel the 18 miles back into Liverpool—usually by bus or by car. There can be little doubt, though, that the develop- ment of the town centre will provide rich pickings for several specialist industries. The school area is new and well endowed. Already this last has attracted several American firms who can see the schools producing the skilled work force that their factories will need in the future. The housing for the work force is better than anything they are likely to have encountered in their pre- vious areas—which were often the slums of North Merseyside. Additionally, it is a young town. Almost a third of the population is of primary school age or younger. Only 6 per cent are over retiring age. The young population provides a potentially considerable commercial potential. This alone is what Skelmersdale has to offer and what will guarantee its success.

## Pastimes of the 'Scouse' for the 'Skems'

By DAVID DORNEY

"The first thing we had to do when we got here was to set up 20 football pitches." That, in the words of the Development Corporation spokesman is Skelmersdale in a nutshell. Outside the professional skills of Merseyside, the town has had one of the most celebrated amateur foot- ball teams in the country. It has now acquired professional status. Skelmersdale won the FA Amateur Cup last year and were the nursery in which Liverpool's Steve Heighway learnt his football skills.

Even with the team's current problems, what better place could there be to live for a football-mad Liverpoolian, if he cannot live in the middle of the city itself? To cater for his devotion, the town now has 22 separate football pitches, a thriving Sunday league of 86 clubs, and a five-a-side league of 47. All this in a town of under 30,000.

That is one of the pastimes that the Scouse has brought to "Skem." The other was largely there already. The town has over 20 pubs—not the effete Southern pubs with their tweed jackets and gin and tonics—but real pubs, with noise, entertain- ment, and lashings of beer. If you have any room in you after that, there are already six fish-and-chip shops. Man's primary needs are well catered for. The point is not as frivolous as it seems, for it illustrates clearly the thought that has gone into providing for a highly individual Liverpool population an environment that is at once familiar and improved.

### Liveable housing

Take housing. In Skelmers- dale this is all low rise, built imaginatively to full Parker Morris standards, and land- scaped into the hillsides of the valley of the River Tawe that runs through the town. In any- one's language it is more than liveable in. On top of this, the Corporation has developed its own secret weapon—the tree. In their efforts to create a green city, they have set up their own extensive nurseries, and planted three trees for each house. It is a mark of their success that these trees still stand. They are not uprooted, there is little vandalism. To protect the residents, the car has been separated from the pedestrian, who can walk to the centre of the town from any point within 20 minutes. With the employment of a sculptor and visual adviser, the resi-



Future professionals?

dential part of the town resembles nothing more than one of the new universities—say East Anglia or Sussex. Indeed, it carries with it a good deal of their quiet and their peacefulness. There is an open market every Wednesday and Saturday which relieves the lack of major shopping facilities. There is a highly successful sports hall converted from a site contrac- tor's factory. There are libraries, play groups, clubs, ladies' circles. You name it, they've got it. However, there is some- thing wrong. As they will tell you in the pubs: "It is not Liverpool." For many of the residents, some of whom still commute into Liverpool to work, that is saying a lot. But you cannot judge the town by the lack of the odd Liver bird or the absence of the Mersey Tunnel. The chil- dren who are born here are "Skem" rather than "Scouse." If you look at the facilities they are offered there can be no doubt as to the superiority of the one over the other. Take schools. Every Skem child can walk to school, without crossing dangerous roads and without taking those long journeys that add so much to the school day. There are already 12 primary schools and two—shortly to be three—comprehensive secondary schools. Through the speed- ing and efficiency of the Lancashire education authority, there is no overcrowding, there are no slum schools, and the buildings they have are available for dual adult use out of school hours.

### Green space

Then there is the amount of green space incorporated in the town, and the unspoilt countryside surrounding it. The original "cloughs," small wooded ravines, that intersect the town have been preserved as a prominent feature and a child's delight. You must re- member that these children might otherwise have spent their lives without a tree in sight, let alone with one to climb upon. The sports centre, offering a wide range of activities for a nominal fee, is an added asset. It has facilities that would have cost up to £250,000 if built from scratch. It is used heavily by the young and the not-so-young, and is the largest sports hall in the North-West.

To one who would not li north of Weyford, Skelmersdale is a refreshing change. It is a dour and northern at all—exce for the weather it could be any part of the country. The from a southerner, is about a biggest compliment that it could be paid.

## Whelmar: the new town people

We're proud to be helping to create an important part of Skelmersdale's new community and future environment. Our residential development, commenced in 1969, is now well advanced. We are currently building on two sites and have available 3 & 4 bedroomed houses and bungalows, at prices from £4,300 to £8,500. A third estate is due to be started at the end of this year.

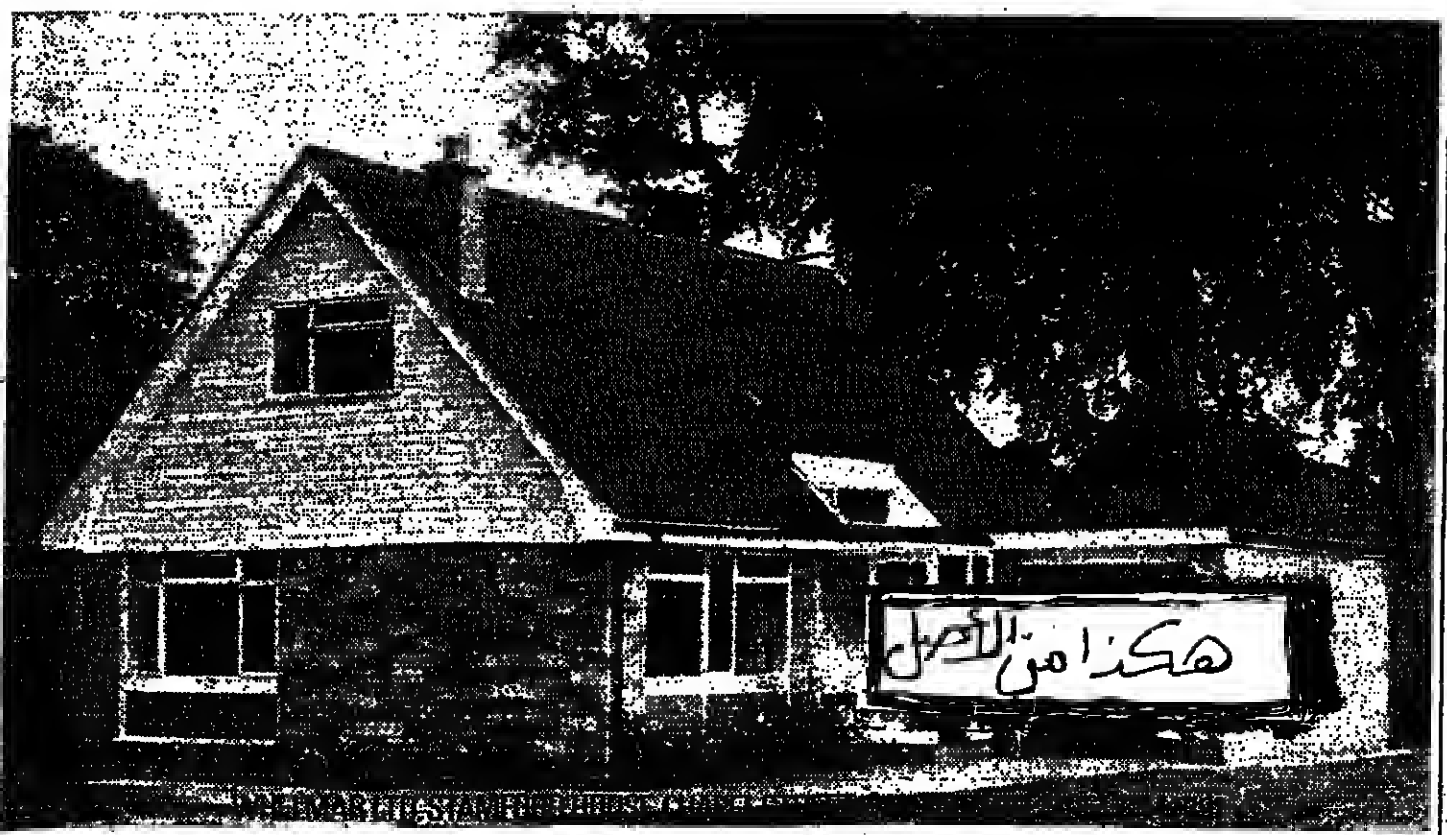
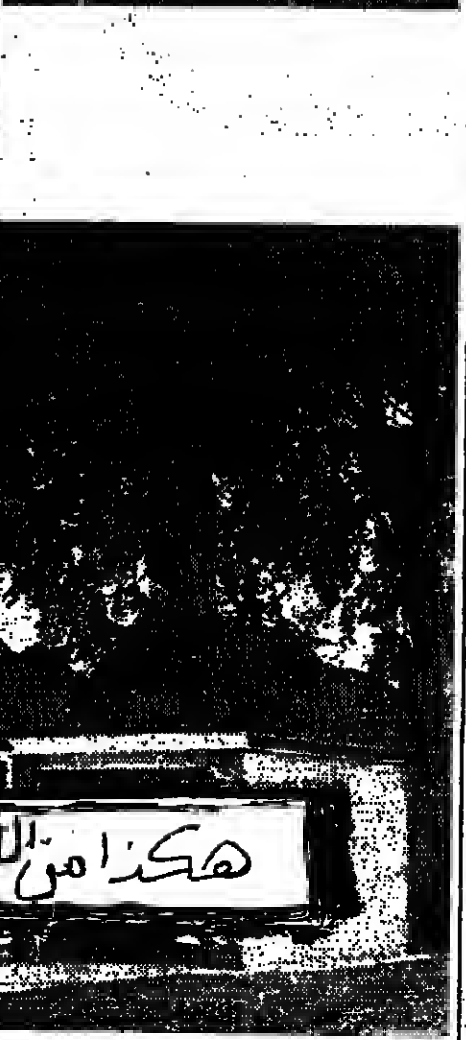
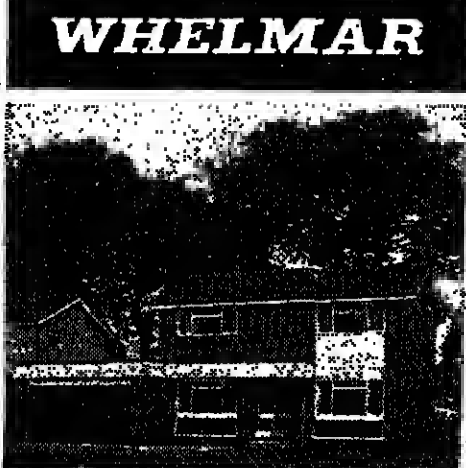
In partnership with the Development Corporation, a six storey office block is proposed adjoining the new shopping centre. This will provide some 45,000 sq. ft. office accommodation, over 30,000 sq. ft. of which is already under offer.

Additionally for the Develop- ment Corporation we have six factory units under construction.

Whelmar are also involved in shaping the future of other new towns in the North West. At Runcorn we have a residential project of 550 properties over the next 3 years. At Warrington we shall develop the first private housing scheme within the New Town, extending to some 500 new homes.

In fact, we at Whelmar believe that our imaginative planning, original thinking, high standards of design and extensive practical experience uniquely qualify us to meet the exciting challenges presented by the new towns.

We're flattered others think so too.





## SKELMERSDALE III



anhouse Estate.



Old Town centre.

# The new style for the New Towns

RICHARD PHELPS General Manager, Skelmersdale Development Corporation

The New Towns Act has designated area is no less than 35,000 acres, eight times the size of post-war acreage of Skelmersdale, and an existing population of no less than 250,000 is anticipated to grow by immigration and natural growth to 450,000 by 1993.

The nature of these various developments is different. As the population figures show, the existing population at the time of designation has grown with each new project—so moving away from the original concept of the "green fields" New Town to expansion based on an existing community—or, indeed, in the case of Central Lancashire, several existing communities. Nevertheless, many of the components of a New Town are common, and new areas constructed over similar periods of time will have many comparable characteristics. While social development is more difficult in a "green fields" situation, the architects and planners are likely to be able to create much greater physical unity and harmony when they can create the whole.

Thanks to a site of great topographical interest at Skelmersdale, concepts are now rapidly turning into an impressive reality which is pleasing to the eye. In the past two years, Corporation housing schemes have won three awards in the national Good Housing Competitions, and factory design is

also to be recognised shortly. What, however, of the town's social image? Certainly Skelmersdale—or "Skem," as she is known to those familiar with her—has had to fight hard for her reputation. First, the Corporation had to live down the idea that New Towns would just be larger than ever over-spill estates. It was and is difficult to get over to people that the financial resources and executive powers of a Development Corporation create far better opportunities for balanced and co-ordinated development than local authority estates.

Secondly, the town had to live with the Merseyside image. It cannot be repeated too often—because many find it difficult to accept—that over the past seven years, during which nearly 7,000 new jobs have been created, the record of strikes and industrial disputes has been considerably lower than the national average.

Finally, it must be said that memories are long in the region and attitudes die hard. But if an ultra-conservative attitude towards any change or improvement is one side of the coin, the other, brighter side, is that there is plenty of healthy scepticism. Too often planners

are guilty of claiming quite disproportionate social benefits from physical planning and architectural achievement. In these circumstances New Towns in their early stages are sitting ducks!

But when £40m. of the taxpayers' and ratepayers' money has been spent in a very limited geographical area in infrastructure, housing, factories, schools, health centres, community centres and sports centres, the chips are down and the concept is judged by achievement alone. And at least you can ask your critics to come and see and judge for themselves.

But "Skem" has much to offer. It has a superb strategic position in relation to the national motorway system—half-way between London and Glasgow, 1½ miles from the M6 connected with a motorway link so that Glasgow, Hull, London and Bridgwater will all be directly connected when approved plans, most of them now being implemented, are completed. (One warning for local managers is to prepare for the arrival of your guests at least 10 minutes before they are expected—apologising not for traffic congestion but speed of transit!)

It also enjoys a central physical position in relation to the two existing and the third nascent conurbation in the North

West Region, that is, Merseyside, the Manchester conurbation and the Central Lancashire complex. Between these three Skelmersdale occupies a central position.

Further more, Skelmersdale has no sub-standard schools: tests show the children to be just as intelligent as anywhere else in the country but better taught because the able teachers want to teach in the best possible surroundings. A place indeed where the greatest problem—unless surveys like this and arguments like mine bear fruit—will shortly be the lack of local opportunities for really bright young people.

It is a place where quite new standards of soft landscaping, by U.K. standards, are being applied. Welwyn may have been the Garden City of the first part of this century, but it will be Skelmersdale's claim to be the Corporation, in fact, has the largest tree and shrub nurseries in the North West Region. Now that soft landscaping is maturing the achievement is attracting widespread admiration.

The whole operation is a far cry from the "orchids and palms for the Town Hall" tradition of municipal gardening. This is a businesslike concentration on a few suitable species. Much credit is due to the vision of Professor Weddell, the Cor-

poration's landscape consultant. And if our Dutch friends call Skelmersdale "Berberisville"—why not? The varieties of that remarkable plant have been rarely explicated in the U.K. Here is a natural species that can be left to deal with the vandals with little help.

Following on from this, I would claim that Skelmersdale is a place where the authorities really believe in looking after and caring for what has been built. It is also a place where the leaders have enough faith in people to believe that a high standard of environment engenders still higher standards. It is perhaps salutary to remember that discussion about vandalism is a one-sided affair. The vandals do not participate in it! Good design means that an object must stand up to the use which will in fact be made of it. In many cases I am convinced "vandalism" is a mere excuse for weak design in physical terms.

To take a simple example—if you provide a well-lit wide pedestrian underpass, Mersey-side children will want to play football in it during the evening. And why not? If the perspex screens can be broken by a bounding ball, then the only constructive answer is to provide stronger ones. It is worth recording that while

recreational facilities easily available to people near their homes. Swimming, squash and badminton all thrive.

Now that the population is reaching substantial proportions commercial growth is getting under way. The totally enclosed Town Centre shopping centre will open next year, and the exhibition at the Corporation's estate consultants' offices at 18, Pall Mall is well worth seeing. Units in the new centre are now available for pre-letting, and one-third of the space has already in fact been let. Office development starts shortly. Speculative builders are taking a much increased interest in the town, and the future targets for private housing for sale are far higher now than hoped for a year ago. The supply of individual plots for high quality houses is, however, temporarily exhausted.

All these facts provide solid grounds of hope for the future. This should be the environment in which industrialists can look with confidence to a labour force that will not only steadily increase in size but also in quality. Development area grants are available and the Corporation will do all in its power to help the new industrialist whether his requirement is great or small, for land or for rented factory space.

litter, and that instrument of such value to outdoor amateur artists—the coloured felt pen—are indeed a nuisance, the town is, on the whole, well looked after by those who live in it.

Scout

Skelmersdale  
Mills & Rockleys  
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Gillibrands Industrial  
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Telephone  
Skelmersdale 22444

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Head Office and Cable Division  
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Telephone  
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## Stockport

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Skelmersdale is the home of Mills & Rockleys (Electronics) Limited, designers and manufacturers of printed circuits. As part of the Aerialite Group they share in its resources and highly successful marketing and distribution services. In turn they contribute their specialist knowledge which has gained for them a high reputation in the electronics industry.

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## Advertising and...

### A fair wind for Seafarer

BY KEN GORTON

MOST OF the publicity that has attached itself to Seafarer, the company likes a minimum space of 20 feet by 70 feet, which gives a room for 60-seater restaurant as well as a take-away bar, and it says, there are signs that the franchise system because they lack the capital to expand in any other way, and that is not the keenly fought over: even so, the turnover at £1.3m. was in case with Associated Fisheries, intention is to open 10-15 £100,000 up on the previous year, reflecting the fact that the company-owned Seafarers a year, apart from those run on a strictly franchise basis. Another problem area was hit-

ing the right image. When you On its own, that does not a chip shops are a big outlet for the fish the group catches—the have a take-away counter and a retail value of the trade is put there is a risk that the passing had a well-founded suspicion that area was not well. High rents were forcing the fish and chip shops more and more into the back is that we must should 'fish and chips' much 'louder', so that everybody knows," says Tony Williams, chief executive of Associated Fisheries' Fast Food Division.

Protecting the market by raising standards was therefore a prime motive. It is true that the edges have since become a bit blurred—the company has found itself in the "fast food" market (defined really as take-away food), highly profitable in its own right. As a result, no-one is too upset that 20 per cent of turnover comes from fried chicken.

It is also true that mistakes were made. AF began by buying profits, snapping up several established fish fryers who appeared to be doing well. Experience has shown that some of the sites were not as good as had been thought at first. Of the original 10 shops, four were sold.

A formula has now evolved, calling for sites at the "food

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### Evode sticks its neck out

BY PAMELA JUDGE

MARKETING is only slowly beginning to make an impact in capital goods companies and one area where its effect could be both speedy and profitable is in industrial sales forces. Currently Evode, the adhesives company, is providing a useful case history.

Last month Evode completely overhauled its sales force. It reduced it from 95 to 75 men, but more to the point it switched it from selling products to selling to markets. In the past there was a considerable number of duplicated calls as the Evode salesman selling adhesives followed the man selling chemicals into the same company. Now there is a building division selling a complete range to the construction industry; an industrial division, selling to capital goods companies; and a distribution division selling to distributors for the retail trade and to builders merchants.

The saving on duplication is only one benefit. More to the point the Evode salesman can now offer a wider range of products (up from 120 to 250 on average) so that customers that want a number of different adhesives from the company but chemicals elsewhere will now be tempted to obtain both from the one call. Overall marketing director Alan Cooper anticipates a cost saving of 20 per cent.

But the change has not only helped the sales side. The two years during which it has been planned has meant that "every corner of the company has had a rattle, and a consumer mentality has come to industrial selling."

The average salesman might be forced to sell many more products but the unprofitable calls have been eliminated and the experience of meeting new customers and selling new lines is a great stimulus. It certainly seems to have worked in the distribution division. Since its rationalisation six months ago Evode has for the first time captured over 40 per cent of the retail market in adhesives.

Now the program is really working since there are 2 years of figures to compare and by the beginning of next year the results will be coming through on the agency's own computer. All this is done by the making of 5 per cent profit before tax on each account.

Like other costing systems, records of time spent are kept but in this case they are called client control sheets, and over half the staff keep them. Creative people record time spent on individual jobs but others show (to the nearest tenth of an hour) the time devoted to each client during the working day.

The computer uses the sheets to determine an "applied hourly rate" for each staff member each month. The rate is based on salary, overheads and the percentage of total available time charged to clients during the month. Once the hours have been computed the cost of service to each client is simply the sum of appropriate individual costs.

The columns are made up of account, executive time and expenses, public relations time and expenses, production (which takes in items such as creative work, print, finished art and blocks), classified space and display space (which includes time and posters).

All this is done by the making of 5 per cent profit before tax on each account. All this is done by the making of 5 per cent profit before tax on each account.

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### Cost of accounts

BY PAMELA JUDGE

"WE CAME up with some wild figures in the first 6 months. And in the initial year we discovered we were making a loss of 10 per cent on our bigger accounts but a similar profit on some very small ones."

Thus Bob Pantoni, of Howard Warren, Secretary, on his agency's search via a computer for a costing system.

HP went on to a computer because BUPA (British United Provident Association) was then a client and had the time to offer on its model. It has taken 3 years to develop the program fully.

One irony in the first year look at the profitability of accounts was finding that the agency was making a loss of £8,000 on BUPA.

Now the program is really working since there are 2 years of figures to compare and by the beginning of next year the results will be coming through on the agency's own computer.

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THURSDAY NOVEMBER 4 1971

## Helping small firms

ALTHOUGH any definition of small firms is necessarily arbitrary, there is no doubt that they have distinctive characteristics and face distinctive problems, some of which are due to their size and others to the fact that proprietor and manager are normally the same person. According to the definition adopted by the Bolton Committee (which excludes agriculture and the professions) there are about 520,000 small firms in this country, employing between them some 4.4m. people and accounting for nearly a fifth of the net output of the private sector.

The figures suggest that they are in general at least as efficient as larger companies. What is more, as the Committee's report stresses repeatedly, they perform a number of valuable social and economic functions: in particular, they are the traditional source of industrial innovation and the main channel by which new entrepreneurial talent can enter business. "We can think of no substitute for the dynamic influence of new firms," the Committee declares, "in preventing the ossification of the economy."

## In decline

Yet it also finds that this sector of the economy is in a state of long-term decline. The reasons are largely technological and operate in other countries as well as this, but the rate of decline in Britain appears to be especially rapid. The main question before the Committee, therefore, was whether the Government should now intervene and discriminate in favour of small firms. It might do so on social or political grounds: this the Committee considers to be outside its terms of reference. It might do so, alternatively, on economic grounds: this the Committee—though with "considerable misgivings"—believes to be unnecessary for the time being.

The only new service which it thinks the Government should provide free for small firms is a chain of Advisory Bureaux in major towns which would provide information (evidently

much needed, for example, in the financial field) about the services already available and about basic matters like planning permission and tax. These bureaux would simultaneously report back to a new Division of the DTI for which a special Minister would be responsible and whose function it would be to collect information about small firms and sponsor their interests.

## New division

This last recommendation, which Mr. Davies has already accepted, will probably turn out to be more important in the long run than the many other recommendations which the Committee makes on points of detail. Circumstances may have worked against the small firm but so too have the actions of Government, not so much because politicians or civil servants are actively biased against small firms as because they often fail through ignorance to take their interests adequately into account. Small firms have less inclination and time than large ones for lobbying and have been, as the Committee points out, "extremely ineffective as a pressure group" despite their numbers.

It is for this reason—together with the fact that Conservative Governments tend to take their support for granted and Labour to write it off—that too little attention is paid to the special burden imposed on them by (for example) high taxation, monetary restrictions, the demand for statistics, the requirements of the Companies Act and restrictive practices legislation. The establishment of the new Division will draw attention to their problems and thereby help to solve them.

But two things must be kept in mind when wishing it success. The first is that small firms in this country are inclined to "mistrust and dislike" all institutions and to feel "an antipathy towards Government" as such. The second is that the economic arguments for and against encouraging small firms cannot really be separated from the political and social arguments.

## Over to the telephone

THE LETTER post was invented in Britain. Even now it is probably fair to say that this country enjoys the best postal service in the world. But five years from now it may not be possible to claim as much, if the notions in an official statement of policy published by the Post Office yesterday are carried out. The relevant document, "Reshaping Britain's Postal Services" (a typically euphemistic title for what would better be called "Cutting Down Britain's Postal Services") contains suggestions that in sum will mean that in future the Post Office will charge more and provide less.

## Shrinkage

The overall rise in charges will be 5 per cent. In line with the Confederation of British Industry pledge. Over the next six years staff will be cut by 25,000, mainly through natural wastage. Deliveries in residential and rural areas will be reduced to one a day; there will be no more parcels deliveries on Saturdays; and last collections will in some cases be earlier. Many of these proposals are not in themselves unreasonable, although it cannot be denied that the package taken as a whole constitutes a shrinkage of the public service spirit that has hitherto been associated with the Post Office. It is not hard to find the reasoning behind these proposals. The collection and delivery of letters is a service industry. There is some room for mechanisation, but a great deal of the work must be done by people, and labour costs are high. The financial target set for the letters and parcels division of the Post Office is not much above the break-even point (it is actually 2 per cent), yet it has not been reached during the past three years. On

the contrary, the loss in 1968-69 was £1m.; the following year it was £1.6m.; and the forecast for the current year is £62m. —a figure that is inflated, no doubt, by the effects of the recent strike.

This is all very well, many people will say, but what about the enormous profit made on telecommunications? It is true that the return as a percentage of net assets has increased in recent years, reaching 9.8 per cent. in 1970-71, slightly better than the financial target of 9.8 per cent. But the capital development programme in telecommunications is tremendous, and the expectation is that half of it will be financed from the Post Office's own resources. Any transfer from the telecommunications profit to cover the postal loss would upset this principle.

Paradoxically, the present strategy works the other way around. One reason why the use of letters declines (or fails to increase at earlier rates) in industrial countries is that more people use telephones. This pattern will be emphasised here if the attractiveness of the letter post is diminished by reducing the service; the effect can only be to drive more people towards use of the telephone. This is not in itself a bad thing, but those who are so anxious to achieve short-term efficiency and cost-effectiveness at the Post Office should first ensure that the telephone system itself is likely to be enlarged and improved to a sufficient extent to meet the new demands—and at a reasonable price. The public interest as a whole would not be best served by reducing the loss on postal services at the cost of an overloading of the telephone system that it became seriously inefficient for a number of years while the engineers attempted to catch up.

## ECONOMIC VIEWPOINT

BY SAMUEL BRITTAN

## When 'threshold' pay deals can help—and when they can't

THE idea of "threshold agreements" was first put forward in TUC circles some months ago as a contribution to the discussion on inflation. The initial reaction in official circles was unfavourable. The Government was afraid that "cost-of-living increases" might simply be added on to wage awards, thus making them even higher.

There have, however, been second thoughts on the matter. For circumstances can also be envisaged in which threshold agreements might lead to lower settlements than would otherwise be possible.

## The NEDC's conclusion

The conclusion of the NEDC, on behalf of the "four wise men," is—as might be expected—that either chain of events is possible, depending on the circumstances. Readers of the NEDC privileged circulation list were told that an appendix giving the full mathematical model was available on request. One wonders how many Council members asked for this supplementary document—or if they did, whether they were very much wiser after studying it.

There is a simple way of approaching the problem at the "micro" level. The matter can best be illustrated by the local authority workers' wage application. This is the first major claim of the season which actually has a threshold request. Local government employers have been cool, but inclined to sit on the fence until official policy is formulated.

The unions are asking that, if in any month the increase in the DEP's Index of Retail Prices after the settlement is more than 3 per cent., the workers should be compensated. The proposed compensation rate is an additional 20p on the basic rate for each 1 per cent. by which the cost of living rises above 3 per cent. The unions believe that this would compensate workers in all categories for such excess increases, in terms of earnings as well as rates.

Following the recent changes in Government policy and the moderate success of "de-escalation," a reasonable guess for the rise in the index might, over the next 12 months, be about 6.5 per cent. The 6 per cent. figure makes the arithmetic a good deal easier. Let us assume, too, for the purposes of the calculation, that the rise is a steady one.



At the NEDC meeting yesterday, the "four wise men" whose document on key economic issues discusses threshold agreements. Left to right: Mr. Campbell Adamson, director-general of the CBI; Mr. Vic Feather, general secretary of the TUC; Sir Douglas Allen, Permanent Secretary to the Treasury; and Sir Frank Figgures, director-general of the NEDC.

In the first six months after the agreement, the workers would not get anything extra, as the cost of living would not have passed the 3 per cent. threshold. By the end of the seventh month, retail prices would have risen by 3.1 per cent., and the workers would be entitled to an extra 1 per cent. in that month. This works out at 1.24th per cent. on an annual wage bill. At the end of the twelfth month the excess rise in the cost of living would be 3 per cent. The compensation in that month would add 1 per cent. to the wage bill. If one does a similar calculation for all the intermediate months and totals them all up, the threshold clause would have added a little under 1 per cent. to the earnings of the workers in that year and to the wage costs of the local authorities.

In assessing whether such threshold agreements will reduce the rate of inflation or make it worse, there is only one question that needs to be asked. This is whether they will reduce the size of the main settlement by more or less than the size of the probable threshold payments.

In the first example it is extremely likely that the threshold agreement would reduce the size of the total increase. Local authority workers are—as the GMWU convincingly demonstrates—among the lowest paid in the country, even allowing for factors such as skills and working hours. Their members are particularly concerned with security and would probably be prepared to concede a good deal more than 1 per cent. in the final settlement in return for the insurance offered by the threshold agreement. The balance of probabilities would, however, be very different if the likely rise in the cost of living was nearer 12 per cent., and the value of the threshold payments approached 4 per cent.

There is, however, a more general statement that can be made. This is that when workers or their representatives are more pessimistic about prices than the facts warrant, a threshold agreement would be a cheap way of allaying their fears and preventing those fears from becoming self-fulfilling. Where, on the other hand, workers are too optimistic, because they are unaware of factors which will raise the cost of living, they will put a very low value on the threshold: the cost of implementing it will be very high, and prices will go up even faster than they would have otherwise.

The ideal time to have introduced threshold agreements was in the fourth month, and the result is an addition to the year's wage bill not far short of 4 per cent.

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duced threshold agreements would have been in the summer of 1969. At that time prices had risen by about 8 per cent. over the previous 12 months. About half of this reflected the delayed effects of devaluation on import prices and—seven more—the increases in consumer taxes imposed by the Chancellor to hold down the home market and free resources for export. For these reasons the increase in real incomes had been negligible.

By late 1969, however, these special post-devaluation factors had come to an end; the required resources had already been shifted to the balance of payments; and, if all else had been equal, the rate of price inflation would have fallen back towards 3.4 per cent., while real incomes would have risen at at least their normal long-run rate. Indeed, this was the general view of most economists, irrespective of ideology, and was the advice given to Mr. Roy Jenkins. It was also, I must admit, my own opinion and I lost a bet with the Editor of the Financial Times, who did not for one moment believe that price inflation would fall back in this way.

The reason why I lost my bet and the standard economic prediction went wrong was of course the famous wage explosion which began in the autumn of 1969. Trade unionists were determined to secure some increase in real income after two years of squeeze. Far from believing that price increases would fall back, they projected recent increases into the future in a pessimistic way.

In so doing they obtained such large increases in money wages that their fears about prices became self-fulfilling: and, as a result, both the Labour Government and its Conservative successor had to pursue cautious demand management policies, which postponed still further the growth

in real earnings which the trade unionists desired. It is possible that if the threshold concept had been widely accepted in 1969 this whole vicious spiral might have been thwarted. There would no doubt still have been some wage explosion, but of smaller dimension.

The present situation may be another in which the threshold concept would be useful. For prices have been rising by an annual rate of about 10 per cent.; yet there are independent reasons for supposing that the rate of inflation may fall back a few points. As trade unionists' fears are usually based on recent experience, the offer of threshold agreements could be an attractive form of insurance which would cost the Government and employers much less than the wage concessions they would otherwise have to give.

Even if the answer to this question is yes, there is still the question of whether the explosive potentialities of thresholds in the bad years would outweigh their dampening possibilities in the good ones; and a practical judgment would have to be made on whether thresholds could be suspended in a crisis.

The best feature of the threshold concept is that it can be offered in a way that is not dangerous as a general practice for the whole economy. But they might be justified for a minority of low-paid workers, such as local authority employees.

For if such employees could be discouraged from pressing for high money settlements, the protection against a fall in living standards, they would be less likely to act as the pace-setters in the annual wage round, as they have done in the past. Indeed, it has set up the wage-price spiral from which their own members have been the chief sufferers.

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compensation has been the rule, that such agreements have had to be suspended whenever real incomes have had to be squeezed.

No doubt the ideal solution for an economic dictator would be to chop and change from a threshold to a no-threshold system as the situation demanded. But such chopping and changing would be quite impracticable in this country and one should resist the temptation to adopt threshold agreements wholesale just because they would be useful at the moment.

A full analysis of the problem would be a much more controversial affair. It would have to take note of the fact that wage bargaining is, in the long run, in terms of real rather than money wages. To prevent a runaway inflation and a collapse of the currency some combination of demand management policies and direct action against union monopoly power is required which keeps the real value of settlements approximately in line with the growth of productivity. (Average real wages of employed workers can go up faster, but at the expense of the number of jobs.)

## Useful for the low-paid

The question is whether the insurance element provided by thresholds would persuade unionists to moderate their real demands; that the system could be run at a higher level of activity and with less force Government-union confrontation.

Even if the answer to this question is yes, there is still the question of whether the explosive potentialities of thresholds in the bad years would outweigh their dampening possibilities in the good ones; and a practical judgment would have to be made on whether thresholds could be suspended in a crisis.

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## MEN AND MATTERS

## Championing the small businessman

One of the duties of the Vice-Chamberlain of the Household is to send a telegram to the Queen each evening telling her what her Parliament has been up to. Yesterday, on only his third day in the job, Mr. Bernard Weatherill, a Conservative Whip and MP for Croydon North-East, had some really good news from his point of view, to report to her. Mr. John Davies' response to the Bolton Committee of Inquiry on Small Firms—its recommendations include a new division within the DTI especially to serve smaller businesses; a network of advisory bureaux; and various exemptions from disclosure and form-filling—has delighted Weatherill. Since he entered Parliament in 1964 he has been a tireless advocate of Government action to help small firms to solve the problems which he himself encountered in his own business life.

His family have been tailors for several generations. Weatherill's father "led the only national strike of tailors" back in 1910 and, because no one would employ him as a result of his action, he set up in business on his own. Bernard Weatherill started in the workshop as soon as he could leave school and returned to it after a war career in the Indian Cavalry. Having then decided to expand the bespoke business, he discovered the problems of the small man "not having enough capital and mortgaged up to the hilt." Now, as a member of the Government,

he has had to drop most of his share in the business. But his firm is linked with Kilgour, French and Stanbury, also bespoke tailors, and Weatherill calls the combination "certainly the biggest and most prosperous tailoring business in London."

The height of Weatherill's Parliamentary campaign for the small businessman came in 1967 when he gained a one-day debate for his private Member's motion on the subject. The Bolton Committee was appointed two years later and now, with many of its recommendations endorsed by the Government, Weatherill counts this as one of his two Parliamentary triumphs. The other was the only amendment to SET, giving exemption to tailors and dress-makers.

Lion's den

The great divide between capital and labour is still with us, it seems. When Mr. Vic Feather, TUC general secretary, was being shown round the London Stock Exchange floor yesterday, after having entertained to lunch by the SE Council, he was greeted with chants of "Out out, everybody out, General Strike." All good natured, of course.

## On his own at 60

To start out in business on one's own account for the first time at 60, and in the difficult area of operating high class department stores, takes nerve. Mr. Roy Warden has bought five stores from Booker McConnell at an



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# Heathrow—a textbook wrangle

JOE ROGALY examines the ground handling dispute at Heathrow airport, and offers a case-study of what is wrong with labour relations in Britain to-day

YONE who wishes to study the nature of industrial relations in Britain to-day should note the details of the argument at Heathrow airport. It is all there, wrapped up in one case-study, a classic that will surely be the subject matter of many textbooks.

Early everything that needs to be known could be learned from the record of a meeting: the one that took place on Heathrow field between 11 and 12 October yesterday morning.

The field is an awkward drive from the airport down to the town. From early morning the workers began to make their way there by bus, some on foot, some by car. The scene, as it unfolded, was a textbook case of industrial relations in Britain to-day.

The letters CAS stand for General Aviation Services, a Canadian-based company that has been given a monopoly contract to carry out all the baggage handling at Heathrow airport that is not done by the airlines themselves. The British Airports Authority awarded this contract two years ago because it believed that small airlines that could not afford their own ground handling organisations should be given a choice between asking a larger airline to do the work or going to the private enterprise CAS.

The introduction of GAS to the airport has been opposed from the start. It was feared that men would lose jobs as a result of its taking contracts away from the large airlines, and the objection was made that a private company should not intrude where a good deal

of the business is done by nationalised industries.

There was so much trouble about this that last year the Department of Employment set up an official inquiry. It reported that no jobs were at risk as a result of the work of CAS: the essential reason for this was that the work of the airport is expanding so quickly that redundancy is simply not an issue.

Mr. Young began by rejecting that report. There had not been the growth then promised, he said, and redundancy was now on everyone's lips. The inquiry, he said, "is a dead duck." He also agreed that a prime objective of the trade unions—the official ones, that is—should be to get the company removed from the airport.

For these sentiments he was rewarded with cheers. But then he started to argue the case more closely, and his reception was a frigid silence. He pointed out that although the quarrel over GAS was with the British Airports Authority (as the landlord of Heathrow), the companies that are actually suffering as a result of the stoppage of work are BEA and BOAC, and other airlines, none of which are directly involved in "The British Airports Authority," he said, "is prepared to fight to the last drop of the blood of BEA."

And why? Because, Mr. Young said, the BAA had to maintain its principle of fighting what it believed were Reds under the bed. Yet it had to be recognised that the dispute could be a very bloody one, long-lasting and damaging and without a guarantee of victory at the end of it.

"That," said a voice that carried across from the centre of the crowd, "is what they said about the Second World War."

Bravely Mr. Young pressed on, his head framed, it seemed, by the outstanding sideburns sported by Mr. Stuart. He explained the compromise that had been worked out in long night hours with the employers. Job security would be guaranteed, he said—and that was no small thing at a time when we were on the way to a million unemployed.

There had been the private police, and the dogs, and "two letters and a telegram trying to intimidate me from speaking to-day." (Six members of the unofficial committee were the subject of Court injunctions ordered on Tuesday night, although it appears that at least some of these had not been personally delivered by the time of yesterday's meeting.)

"We must see some change of opinion on the part of BAA," said Mr. Benson. "It would be wrong to go back to work without it." The compromise offered was that for the next three months, while talks continued, the GAS contract with Iberia should be suspended and some airline—any airline—could do the work instead. "It does not have to be KLM (which did the job until October 31) if that would seem like too much of a victory for us. Any airline would do."

Mr. Stuart called for a show of hands, and there is no doubt that the men stay out while this compromise was sought—was passed by an overwhelming majority. They met again at 10.30 this morning to hear what



Part of the huge crowd of airport workers at yesterday's Heathrow Air Park meeting.

## Safeguards

What was more, there would be safeguards against men being transferred from one employer to another. As for GAS, it would be restrained from taking any new contracts for the next three months while talks continued—and the trade unions would fight their hardest to see that when the company's present contract runs out, it would not be renewed. "Let us have," he pleaded, "an intelligent discussion and an intelligent decision at the end of it."

## Emotions

If for some of those present the issue was one of power, for others it was one of personal standing. Managements must manage: employees, they seemed to be saying, must have their views taken into account. It is this, interwoven with emotions about foreign companies, anger about the dogs, and possibly fears about jobs (for CAS undeniably gets more work out of each man), that keeps the airport workforce united behind its shop stewards, even if only for short, heady periods of crisis.

## Labour News

### New blow for TUC R Act policy

ALEX HENDRY, LABOUR REPORTER

TUC's hard line on non-unionisation with the Industrial Relations Act took another blow yesterday when the General and Municipal Workers' Union decided to take no part in the register of trade unions.

Lord Cooper said yesterday: "If the registrar wants to interfere with our rules—which we regard as sacrosanct—we will deregister."

He also said he did not see that refusing to be registered was an integral part of the TUC's policy. And he dismissed as undemocratic the TUC conference decision, by more than one million votes, that member unions should be instructed to take themselves off the new register.

Lord Cooper told delegates: "There is plenty of growing evidence throughout the Labour movement of the application of rigid discipline by the left wing of the movement on the right. This I think is a great danger to our movement and one we ought to stand up to."

A symbol

The document prepared for the delegates at yesterday's conference argues that although "deregistration" has become the symbol of the TUC's policy of non-cooperation with the Act it does not follow that by registering unions would defeat that policy.

It says the TUC has made no general commitment to support a union which finds itself in difficulties because it is not registered. But it reaffirms the TUC's loyalty to the TUC.

So far only one union, the National Union of Seamen, has been called in to explain to the TUC's general committee why it is defying TUC policy. A further 17 have been asked to meet the committee later this month.

### New moves to avert 11-out toolroom strike

PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

COVENTRY, Nov. 3.

ENT new moves were made today to try to avoid a city-wide all-out strike by more than 1,500 engineering workers fighting a 30-year-old toolroom agreement, which their employers are determined to be by individual plant units.

The employers made concessions on an original basis which the engineering union had rejected outright, the proposals have still to be put to a floor level along with recommendation for an all-out strike at a meeting last night.

Whether the new formulae shed out in day-long talks by the Engineering Employers' Association and the union will satisfy the workers has still to be put to test: this will be done first meeting to-morrow of toolroom workers who will then pass to members at their desks. Their decisions will be

## Air France orders first six A-300B airbuses

BY ROBERT MAUTHNER

AIR FRANCE, the French State-owned airline, today announced that it had ordered six A300B airbuses, the medium-haul Franco-German-Dutch airliner in the construction of which Hawker Siddeley of the U.K. is participating in a private capacity.

Air France, which has also taken an option on another ten aircraft of the same type, is the first airline to have placed firm orders for the airbus. The order, which is worth some Frs.400m. (nearly £30m.) represents about 8 per cent of Air France's total investments for the period 1970-1975.

Three of the aircraft are due to be delivered in 1974 and the remaining three in 1975.

Speculation

The decision to order the aircraft, taken by the Air France Board today, puts an end to speculation that the company was hesitating between the airbus and an expansion of its 20-strong fleet of Boeing 727-200s, sparked off by a communiqué issued by the Communist-led CCT, France's most powerful trade union, last week.

Although Government backing for the airbus made it most unlikely that the company would go back on its letter of intention which it had sent to the design leaders, Aerospatiale, as long ago as September last year, its final decision became more uncertain following reports that West Germany was thinking of backing out of the project.

Indeed, Lufthansa, the West German airline, has still not made up its mind whether to order the aircraft and is not expected to take a final decision until next year.

In addition, Air France has clearly had some difficulties in tailoring its budget to the purchase of the airbus as well as the Anglo-French supersonic airliner "Concorde" the Boeing Jumbo and the twin-jet short-haul "Mercury" manufactured by the French group Breguet-Dassault.

According to M. Henri Ziegler, chairman of Aerospatiale, the world's airlines will require some 1,200 aircraft of the airbus type during the 10-year period 1972-1983 and the market for the Franco-German-Dutch airbus, the price of which is said to be about Frs.65m., could be as big as one quarter of the total.

If these forecasts are correct, Aerospatiale and its principal partner, Deutsche Airbus, can expect to sell a total of some 300 to 400 aircraft which, with spare parts, will be worth about Frs.50,000m.

Spares

The Air France aeroplanes are understood to be costing around £5m. each, which gives the basic order a value of around £30m. But if initial spares are also included—and these could amount to about one-third as much again—the value of the deal would be raised to around £40m.

The Air France aircraft will be "B-25s," a 282-seat version with three additional rows of seats over the standard "B-1" version. There are also longer-range and high-density variants of the aeroplane planned by the European airbus consortium.

The Air France order will be worth around £7m. to the U.K., both through the work on the

## Herbert Group's new plant buying scheme

A PLANT purchasing facility recently introduced by Herbert Associates (Aired Herbert Group) in conjunction with North West Securities is expected to ease the financial strain on manufacturers modernising or expanding their injection-moulding or diecasting plant.

Stock models of injection-moulding and diecasting machines manufactured by Herbert Associates can now be obtained on interest-free hire-purchase terms over a period of 12 months. Delivery will be made on payment of the first of the 12 equal instalments.

It is anticipated that smaller concerns which see business opportunities but lack the financial resources for conventional purchase will initially seek to use the new facility, although equal benefits are obvious for the largest organisations.

# BCL introduce the Molecular Computer System

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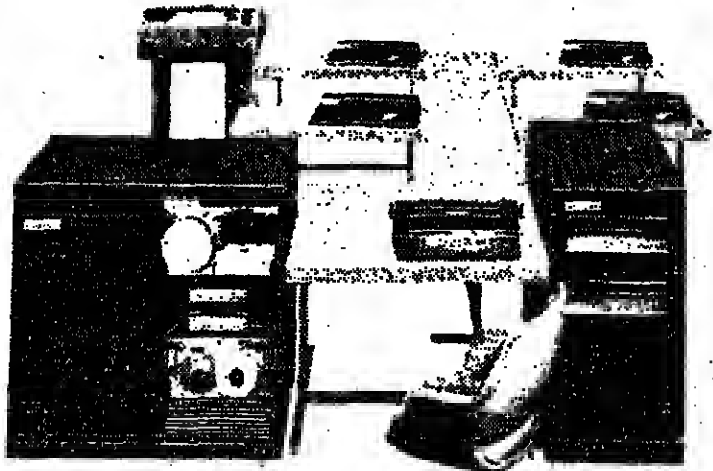
BCL have done it again. Firmly established as leaders in the field with the famous Sadie/Susie range of Visible Record Computers we now introduce the Molecular 18... basically an 18-bit word central processing unit with completely comprehensive performance potential, enabling you to produce exactly the computer application you require. Its capability goes far beyond the merely one dimensional program expansion. You can select from the entire range of peripherals—input/output terminals; tape and punched card readers and punches; CRT displays; line and serial printers; magnetic stripe ledger card readers and so on. Varying combinations of peripherals give you different computer structures, similar to building a chemical molecular structure—that's why we call it the Molecular Computer System. And it offers you millions of characters of fast on-line storage and print-out speeds.

It's a new angle on computers... your angle. We found that the ideal computer specification varies with almost every situation—so we've produced a computer system to match.

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Certainly computers can be expensive, even small computers. But that's where the Molecular System really scores. Because of the dimensional flexibility, you purchase hardware and software only as and when you require it. When you expand so can the Molecular 18... no idle potential. Our prices include systems analysis, programming, staff training and support... it's what accountants dream about.

Interested? Then please give us an opportunity to prove our enthusiasm is entirely justified.



## Saleroom

### Art nouveau price peak

AT SOTHEBY'S, Belgravia, yesterday in a sale of decorative arts (1880-1935) which realised £42,035, a gilt-bronze bust of a young woman made by Alphonse Meunier, went to Bligh for £11,000, a record for a piece of art nouveau.

Best Products paid £6,500 for a Tiffany Studios "wistaria" lamp. A marquetry de verre vase by Emile Gallé, 1900, went to Leclaire for £2,300, a record for Gallé glass.

At Sothabys, Bond Street, a sale of Old Master paintings realised £42,012. Knowles gave £1,100 for a view of the Piazzetta di San Marco, Venice, after Canaletto, and Cohen £1,050 for a school of Zurbaran St. Francis. A still life of fruit and flowers attributed to G. P. Verbruggen went to H. Sabin for £320, a pair of river landscapes, morning and evening, after Joseph Vernet, to Closs and Christie on the road to Coligny attributed to Sir P. P. Rubens to Marin, each lot for £700.

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MINING NEWS

Amal Tin gives a little comfort

BY KENNETH MARSTON

Amalgamated Tin Mines of Nigeria, one of the world's biggest producers of tin, has given a little comfort to shareholders by announcing a dividend of 10p for the year ended 31st March 1971.

The dividend, which is the first since 1967, was announced at a shareholders' meeting in London yesterday. It was a 10p dividend, the same as in 1967.

Mr. Douglas Waring, chairman of the company, said that the dividend was a reflection of the company's improved performance over the last year.

He also said that the company was pleased with the results of its operations in 1970, which had been a year of significant achievement.

Mr. Waring said that the company was looking forward to a continued period of growth and development in the future.

The dividend was paid to shareholders on 11th November 1971. It was a 10p dividend, the same as in 1967.

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BIDS AND DEALS

Ash and Lacy rejects bid from Expanded Metal

Shares in Ash and Lacy jumped 50p to 150p yesterday when Expanded Metal Company put in a bid for the Midlands sheet metal group.

However, there was almost immediate opposition from the A & L Board, which issued a statement describing the bid as "wholly inadequate" and advising shareholders to reject it.

Since A & L directors own less than 5 per cent of the equity, the outcome of the bid lies with institutions which hold some 55 per cent.

The meantime, the directors of Expanded have forecast that pre-tax profits in 1971 will increase from £1.0m to not less than £1.2m.

Assumptions and reasons for this projection will be contained in the formal offer document, as required by the City Code on takeover.

Apparently, the two companies have agreed to a preliminary arrangement, but according to Expanded, it is "provisional" and it is therefore decided to press ahead with a unilateral bid.

Expanded also has a subsidiary, Ash and Lacy, which is a manufacturer of sheet metal products. This would be a natural acquisition for Expanded.

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Land and House bid for Hales

Following an unsuccessful attempt to get an agreed offer for the ground, Land and House Properties is bidding for the Hales shares.

The bid is for 100 shares, which would give Land and House a 10 per cent holding in the company.

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Schroder's spokesman estimated it might be ten days or so before there would be any further news on the bid.

Mr. McDougall also told shareholders that the net asset value of D & G at October 13, after taking account of the rights issue, was 15.50p a share, before tax on unrealised investment profits of the parent company, and 13.04p after tax.

Lombard and Ulster-JCB Credit

LOMBARD AND ULSTER Bank, Belfast, has acquired from JCB Credit the net asset value of 15.50p a share, before tax on unrealised investment profits of the parent company, and 13.04p after tax.

Mr. Gordon Green, JCB general manager, said yesterday the separation from JCB Credit was mutually agreed and had been amicably negotiated.

The new Board is Mr. W. Eustace Boyd (managing director), Mr. M. Robinson, Mr. A. Bamford and Mr. G. Johnston.

UTC "yes" to revised BET terms

British Electric Traction has revised its offer for the 82.1 per cent of UTC Transport Company not already owned and is doing so in the light of a forecast by UTC of net profits of some £2.2m after tax and minority interests in 1971, compared with £1.8m in 1970.

The original offer was worth £18.3m for the 82.1 per cent, or 170p a share. On the basis of the increased offer, UTC's shares jumped 39p to 150p.

A less complicated package is now being offered. Instead of four alternatives of shares, shares and cash or shares and loan stock, the offer is an exchange of three BET shares for one UTC share.

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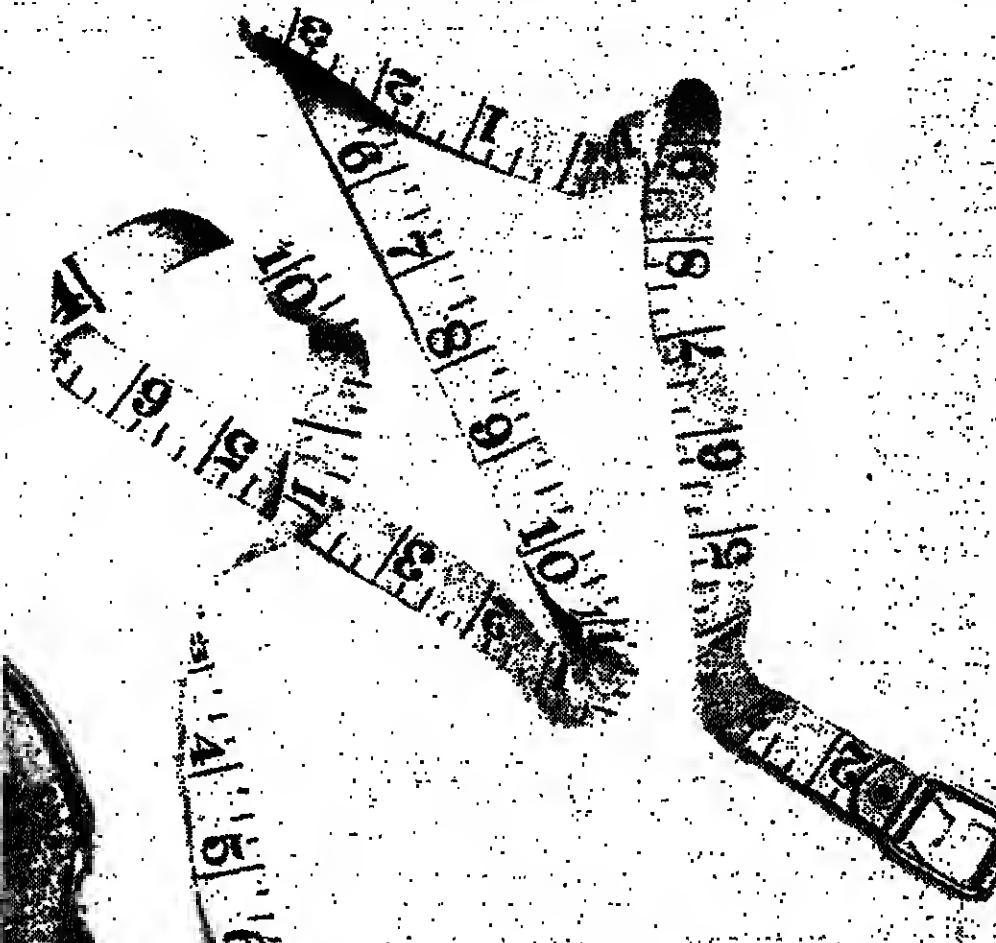
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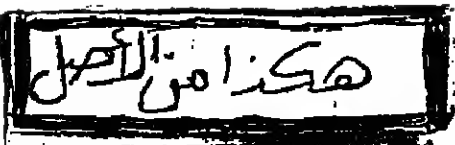
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All of these shares having been sold, this announcement appears as a matter of record only.

NEW ISSUE

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Salomon Brothers	Smith, Barney & Co. Incorporated	Stone & Webster Securities Corporation
Wertheim & Co.	White, Weld & Co.	Dean Witter & Co. Incorporated
E. F. Hutton & Company Inc.	Reynolds Securities Inc.	Shearson, Hamill & Co. Incorporated
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L. F. Rothschild & Co.	Shields & Company Incorporated	F. S. Smithers & Co., Inc.
Thomson & McKinnon Auchincloss Inc.	Spencer Trask & Co. Incorporated	Tucker, Anthony & R. L. Day
G. H. Walker & Co. Incorporated	Walston & Co., Inc.	Wood, Struthers & Winthrop Inc.

All of these bonds have been subscribed. This announcement appears as a matter of record only.

## INTERNATIONAL BANK

FOR

## RECONSTRUCTION AND DEVELOPMENT

KD 30,000,000 (EQUIV. U.S. \$84,000,000)

10 YEARS

7½% KUWAIT DINAR BONDS OF 1971  
TO BE REPAYED 1973-1981

INTEREST:

7½% P.A. PAYABLE EACH MAY 1 AND NOVEMBER 1

MANAGED AND UNDERWRITTEN BY:

KUWAIT INVESTMENT COMPANY (S.A.K.)

## Galliford Brindley Limited

(MIDLAND BASED CONSTRUCTION GROUP)

At the Annual General Meeting held on 3rd November, 1971 the Chairman Mr. P. Thompson said:-

"My statement in the Annual Report drew attention to new profit records and increased dividends. A very good start has been made to the current year's trading."

"New acquisitions have been made this week that will add further to the strength and profits of the Group. Full details will be circulated to shareholders in due course."

"The financial resources of the Company continue to grow."

	TURNOVER	PRE-TAX PROFITS	DIVIDENDS PAID	RETAINED PROFITS	EARNINGS PER SHARE (ORD. & DEF.)
	£'000	£'000	£'000	£'000	
1968	5,910	317	86	72	66p
1969	7,890	310	89	68	64p
1970	8,882	429	101	130	93p
1971	8,448	483	111	199	125p

Royal Bank of Canada  
Appointment



W. D. Henry

The Royal Bank of Canada announces the appointment of W. D. Henry as Regional Executive, United Kingdom and Scandinavia. Mr. Henry, formerly assistant general manager and manager Toronto main branch, Canada, succeeds J. P. Smith who has accepted an appointment with The Royal Bank of Canada International Limited as President. A career banker, Mr. Henry has been with the Royal since 1941. During that time he has had experience in both the domestic and international spheres of the bank's operations. Mr. Henry's offices will be located in London.

### APPOINTMENTS

## Costain senior post for U.K. contracting

Mr. A. D. Hutchinson, managing director of Costain Mining, has been appointed chief executive, U.K. contracting, of the COSTAIN GROUP.

He joined the group in 1949 and became a director of Costain Mining in 1965. More recently he has been concerned with the setting up of a £50m. coal supply contract for the New South Wales Electricity Commission.

Mr. Jim Barrie has resigned as deputy managing director and chief executive of WESTBOURNE EXHIBITIONS to form his own company. This will be known as Service to Exhibitors.

Mr. J. MacNaughton Siley has been appointed deputy chief



Mr. J. MacNaughton Siley

executive of the P AND O GROUP'S European and Air Transport Division.

Headed by Lord Geddes, the division controls a fleet of 33 short-sea passenger cars for ferries and cargo ships, over 1,500 heavy road haulage vehicles operating throughout Britain and Europe, an international air freight business and numerous land and sea forwarding companies. It is one of five divisions which began operations in October this year after a major reorganisation of the group.

Mr. Wilfred R. Cass, has been appointed managing director of REEVES AND SONS. Mr. Christopher Simmons, the former managing director, becomes deputy chairman and Mr. David Allen deputy managing director.

Mr. J. A. Stitt, managing director of Model Toys, has been appointed to the Board of BERWICK TIMPO, the parent company.

Mr. Christopher M. Jackson has been appointed head of corporate planning by the DONALD MACPHERSON GROUP.

Mr. Leonard Hardy and Mr. Alan F. Rawson have been appointed directors of the ARTHUR WARDLE GROUP.

Mr. Hugh Lindsay has been appointed director of the ANGLO-ISRAEL BANK. He recently retired from the National Westminster Bank.

The British Railways Board has appointed Mr. George R. Hill, managing director of British Transport Hotels, to be a member of the BRITISH RAILWAYS (SCOTTISH) BOARD.

Mr. A. Stuart MacVicar, advertisement manager of the Sunday Mirror, has been appointed to the Board of INTERNATIONAL PUBLISHING CORPORATION SCOTCH NEWSPAPERS as advertisement sales director.

Mr. P. M. R. Cowen, formerly of Slater, Walker, has been appointed a director of WINTEX

SECURITIES, the banking subsidiary of Wintrust.

Mr. Claude Matoss, formerly managing director of Orbanco SPA in Italy, has been appointed regional manager for Europe for the WELLCOME FOUNDATION. He succeeds Mr. Harry Copestake who has been appointed group corporate planner.

Mr. Martin Paterson, chairman and chief executive of ANTONY GIBBS PENSIONS and a director of ANTONY GIBBS (INSURANCE HOLDINGS), has resigned his appointments and will be leaving the group to set up his own consultancy company.

Mr. S. W. Gilles, director and general manager of SARO PRODUCTS, has been appointed managing director of that company. Mr. C. A. Canon and Mr. G. Gollins have joined the Board of GLOSTER SARO. Both companies are subsidiaries of Hawker Siddeley.

Mr. Tony Bellin, chairman and managing director of International Laboratories, has been elected national chairman of the INSTITUTE OF MARKETING.

Mr. Kjell Heidenberg has been appointed managing director of GEORGE BASSETT A/B, the Swedish marketing subsidiary of Geo. Bassett Holdings.

Mr. F. E. Burman, and Mr. A. L. Bateon have been elected president and chairman respectively of the INSTITUTE OF MANAGEMENT IN PRINTING.

Mr. K. W. Machob, director of operations of AMF LEGG, is to return to the U.S. to become director of operations at the AMF Group's Richmond, Virginia Tobacco Machinery Division.

Mr. K. J. Smith, previously materials director, has been made production director and Mr. P. J. Donovan, who was personnel manager, is now personnel director.

Mr. L. E. Laney has been made contract manager in charge of a new contracts department.

Mr. Herbert Donald, general manager and head of production for HOWARD AND WYNHAM, has been appointed to the Board.

Sir George H. Middleton has joined the Board of BRITISH SMOELTER CONSTRUCTIONS.

Mr. Ian C. Low has been appointed an additional director of DUNDEE AND LONDON INVESTMENT TRUST.

Mr. R. A. Sawtell has left the Board of the De La Rue Company to devote the whole of his time to MANPOWER ANALYSIS AND PLANNING, of which he is an executive director.

Mr. Brian Goshawk has been appointed director of marketing with the SINGER COMPANY (U.K.) and takes up the post at the end of December.

Mr. E. J. Mol has been appointed a director of BOOKERS AGRICULTURAL AND TECHNICAL SERVICES, a subsidiary of Booker McConnell. Mr. Mol is the general manager, and also a director, of the Nigerian Sugar Company.

Mr. A. R. Prime has been appointed senior manager, and Mr. N. P. Folbister and Mr. S. Shoemith, managers, of CHARLES FULTON AND CO., international money brokers.

Mr. R. T. Game, Mr. L. C. Harman and Mr. P. W. White have been made managers of Charles Fulton (Foreign Exchange) and Mr. J. A. Beard and Mr. J. A. Daltry, managers of Charles Fulton (Sterling).

Mr. J. D. Bellings has been appointed chairman of GOPEN CONSOLIDATED. He succeeds Mr. J. T. Chappel who has resigned as chairman but continues as a director.

### HOME CONTRACTS

## Costain wins £1.36m. road widening work

Costain Civil Engineering has been awarded a £1.36m. contract by the Greater London Council to carry out the widening of Archway Road, between Archway Interchange, Islington, and Winchester Road, Haringey. Work will begin on November 8 and should take about 30 months to complete.

International Combustion has won a contract worth almost £300,000 to convert the boilers in the No. 1 boiler house of the Central Electricity Generating Board's Fulham power station, from coal to oil firing. The work covers the conversion of six boilers. The first should be completed late this year, and the sixth by early 1972.

Sim-Chem (Simon Engineering) is to supply a ship-unloading system and pipeline costing £100,000 for handling propylene at the liquid bulk storage terminal, which serves the new chemical plant of Lening Chemicals at Seal Sands, Teesside. Work on the contract has already started and commissioning should be early in 1972.

T. B. Pearson and Sons (Engineers) has been awarded a £200,000 Ministry of Defence contract for bulldozer equipment to be fitted to "Chieftain" fighting vehicles. This is the third and final part of a contract worth a total of £500,000. Completion is scheduled for early 1972.

## Buchanan warns: 'Cities' future at risk

Financial Times Reporter

FUTURE GENERATIONS will reproach us for failing to make much-needed structural changes to our cities, Professor Colin Buchanan, the transport and planning expert, said in London yesterday.

He had just been presented with the International Road Federation "Man of the Year" award by Mr. Peter Walker, the Environment Minister.

There was a risk, Prof. Buchanan said, that in the provision of extra roads, concern for the people directly affected—arising to no small extent from acute anxieties about the adequacy of compensation—could lead to a failure to make the necessary changes.

## September visitors to U.K. up 7%

SOME 479,000 people visited the U.K. in September, about 7 per cent more than a year earlier, the Department of Trade and Industry states.

They represented about two-thirds of all overseas visitors as the figures exclude Commonwealth citizens and visitors (other than U.S. citizens) who arrive from the Irish Republic.

Although, over 4m. foreign visitors have come to the U.K. this year, this is understood to represent a rise of 9 per cent compared with the first nine months of 1970. Most of the increase was from the U.S.

# Pole vault to Tokyo with JAL

Four times a week JAL's Polar Route gets you to Tokyo in two giant strides. But all the exercise you need take is just enough to lift a cup of sake, to sip champagne and nibble *otsumami* while you wonder why the Arctic Ocean looks like a marble slab... and if all Japanese girls are as charming as your JAL hostess. Meanwhile there are several more delightful hours to Tokyo.



Polar Route in association with Air France, Alitalia and Lufthansa



## GENERAL APPOINTMENTS

ORR & BOSS  
AND PARTNERS LIMITED

invites applications from men who would like to join a firm of

## Management Consultants

● which concentrates on helping its clients to improve the profitability of their businesses through better planning, organisation & control.

● which, after comprehensive training, will give the successful applicants the opportunity of working at top level in industry.

● which rewards ability and hard work with rapid salary advancement.

## Basic requirements:

● A university degree in engineering, science or economics, and/or a good accounting qualification.

● Practical experience of managing people in a business.

● A background in production or management accounting.

● A willingness to spend up to four nights a week away from home.

● Age within the bracket 27-37 years.

Brief personal details should be sent to the Personnel Director.

ORR & BOSS  
AND PARTNERS LTD.

30 Curzon Street, LONDON W1Y 7AE

## Assistant Secretary

## HAYMILLS (HOLDINGS) LIMITED.

The Group which has considerable interests in property, general contracting, property development and sub-contracting, wishes to appoint an Assistant Secretary. Experience of the building industry and the administrative side of property management would be of advantage. He will later be considered for appointment as Secretary of subsidiary companies. Age preferably under 35. Starting salary £2,500 per annum; contributory pension scheme. Applications which will be treated in confidence, should be addressed to:

The Chairman, Haymills (Holdings) Ltd., Empire House, Hanger Green, Ealing, W5 3BD.



## Chief Executive

To head a rapidly expanding U.K. subsidiary of a French Engineering parent group. Equally concerned with U.K. and overseas markets. Their products comprise the complete range of a precision component for the Automotive and other industries.

Candidates should possess technical qualifications and must have commercial experience in the engineering industry—preferably in the automotive or allied fields. Fluent French is essential; German also would be ideal.

This is essentially a "spearhead operation" requiring proven General Management ability and strong personal characteristics in order to ensure steady expansion with increasing profitability.

Salary... £6,000 p.a. upwards according to experience and qualifications. Preferred age... 40 to early 50's. Location—South Midlands. Apply in confidence to CHARLES MARTIN ASSOCIATES LTD. (Ref. E 247) 23 College Hill, London, E.C.4, giving concise summary of career including responsibilities held and salaries commanded in recent appointments. Short listed candidates will be notified within 14 days.

## CHARLES MARTIN ASSOCIATES LIMITED

## PENSIONS CHIEF EXECUTIVE

Required by London financial group to direct increasing volume of pensions business for wide variety of clients.

To be between 29-33 and technically expert in—

1. Setting up and administering self-invested and life assurance schemes.

2. Negotiating with the Inland Revenue.

To have experience commensurate with a starting salary of at least £4,000 per annum plus substantial bonus.

Orientated to the client/commercial view, having ability to inspire confidence.

Write giving full details to: MANAGERIAL & EXECUTIVE SERVICES LTD.

37 Duke Street, London W1M 6DQ.

## ASSISTANT COMPANY SECRETARY

Highly intelligent and able young man required by Public Property Company. Successful applicant should have secretarial, legal or accountancy qualification and previous experience with a property company or property division of a larger corporate body. There are good prospects of promotion and salary is in the region of £3,000 p.a. Age 26-40.

Write to D. Davis, F.C.C.A., Director, United Real Property Trust Limited, 9 Cavendish Square, London, W1M 0JT

## FINANCIAL AND ACCOUNTANCY APPOINTMENTS APPEAR TODAY ON PAGE 20

## SERVICES

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As Specialist Consultants in the recruitment of Linguistic Secretaries, we have a comprehensive register of bilingual or trilingual PA/Secretaries awaiting appointments in the U.K. and overseas.

One of our Consultants will be pleased to discuss our services without obligation.

Please phone or write: June Hall, Alconbury Hill House, Alconbury, Huntingdon.

Phone: 0455 23454 or 23455

CONTINENTAL SECRETARIES

## CLASSIFIED ADVERTISEMENT RATES

	Display Rate	Per S.C.I.
Appointments	13.00	£
Business Opportunities	15.00	
Industrial Property	13.00	
Residential Property	10.50	
Travel	14.00	
Salerooms	9.00	

All other categories on request to—  
The Classified Advertisement Manager,  
Financial Times,  
10, Cannon Street, London, EC4P 4BY.  
Tel: 01-248 8000.

Provincial Offices—  
Manchester: Mr. A. Monk. 061-634 9381.  
Birmingham: Miss M. Harborne. 021-454 2487.

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## BUSINESS OPPORTUNITIES

## AVIATION PARTNERSHIP

We are a progressive, well-run airline of the general aviation industry with our own airport. For this secure business in West-Germany we offer a partnership with a minimum holding of 10,000.—D.M.

## HIGH RATE OF CAPITAL RETURN

The completion of a holiday, leisure, sports- and youth-centre is planned.  
For further details write Box B.6192, Financial Times, 10, Cannon Street, EC4P 4BY.

## SURTAX PAYERS

Tax-free income or capital gains are possible, with a plan tailor-made for your own financial situation. Let us know your problem.

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Also at Wolverhampton, Ipswich, Manchester, Cardiff and Colchester

## PUBLIC COMPANIES ARE YOU INTERESTED?

Old established London Group of privately owned Property Trust Companies whose profits have steadily increased over the years and exceeded \$598,000 before tax last year would like to discuss merger with overseas Companies whose interests are in the same field. Interested parties only please write to The Chairman, Box B.6318, Financial Times, 10, Cannon Street, EC4P 4BY.

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Electronics with auxiliary sheet metal machinery and finishing, 1,000 strong and expanding. Seek to acquire or develop end products. Will produce or develop under contract or licence or by acquisition.

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## IT IS NOT ONLY

the large firms who have difficulty in communicating. We all do. The problem is not only to communicate but to do so in a way that is understood and accepted. More and more establishments have their own internal communication systems. This is not only a matter of efficiency but also of cost. With our techniques we can produce 19,000 copies of a four page newsletter with pictures and spot colour for £127. Additionally we can provide layout assistance for lay out and design to make sure you have a professional job. We are professionals. We publish our own newspaper of our own, and are not ashamed of it.

If you might be interested please contact: Mr. J. Bryant, Managing Director, Chalkers Newspapers Ltd., 40, Markon, Backs, Telephone Markon 4321.

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"We manage managements problems"

THE LUPAARDS VLEI ESTATE AND GOLD MINING COMPANY, LIMITED

(Incorporated in England)

NEW OUBANG AND INDUSTRIALS LIMITED

(Incorporated in South Africa)

THE SUB NIGEL LIMITED

(Incorporated in the Republic of South Africa)

PRELIMINARY ANNOUNCEMENT

The Boards of the foregoing companies announce that negotiations have been entered into for the amalgamation of the companies into a new company, with effect from 1st January 1972.

Should these negotiations be successful it is envisaged that a substantial increase in the value of the companies will be achieved, and the shareholders of the companies will be able to realise a substantial profit on their investment.

Shareholders of the companies are advised that the amalgamation is expected to be completed by 31st December 1971. An interim dividend of 10% on the share capital of the companies will be paid on 31st December 1971, and a final dividend of 10% on the share capital of the companies will be paid on 31st March 1972.

By Order of the Board,  
J. J. LITTLE, London Secretary.

LONDON OFFICE: 40 Moorfields, EC2R 8BQ, 3rd November, 1971.

GOLD FIELDS GROUP

THE LUPAARDS VLEI ESTATE AND GOLD MINING COMPANY, LIMITED

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## INTERIM STATEMENTS

## ATLANTIC ASSETS TRUST LIMITED

Three months to 30th September, 1971

The Directors announce the unaudited figures of the Company and of its subsidiary, the Independent Investment Company Limited, for the three months to 30th September 1971. These are shown below, together with the comparable figures for the three months to 30th September 1970.

	30th September 1971	30th September 1970
Total Income—Franked	£30,000	£23,000
—Unfranked	56,000	52,000
Interest and Expenses	£76,000	£69,000
Minority Interests ("Independent" Preference Dividend)	£13,000	£13,000
Total Assets	£25,324,000	£23,568,000
Ordinary 25p Shares in Issue	22,234,110	22,234,110
Net Assets available for Ordinary Shareholders after deducting prior charges at par and assuming full conversion of Edward Bates Convertible Loan Stock	£17,750,000	£15,282,000
Equivalent per Share to	79p	68p

## NOTES:

- Another subsidiary, Edward Bates and Sons (Holdings) Limited, carries on business as a Merchant Bank. Because of the differing nature of the business the accounts of Edward Bates have not been consolidated.
- Approximately 45 per cent of the valuation is in Dollar Stocks including the applicable amount of the full London Dollar Premium. 25 per cent of this amount is liable to surrender on realisation and would reduce the amount available per Ordinary Share by 2p.
- Account has been taken in the current year's figures of provisional Capital Gains Tax of £36,000 (£28,000) on sales to date.
- Corporation Tax on Unfranked Income less Interest, Expenses and Withholding Taxes to date is £1,300 (£2,300). Overseas Taxes to date amount to £4,500 (£5,100).
- Edward Bates and Sons (Holdings) Limited 6½% Convertible Unsecured Loan Stock is convertible into Ordinary Shares of Atlantic Assets Trust Limited, during the years 1972 to 1982 and, if fully converted, will require the issue of 208,125 shares.
- The Unsecured Loan of U.S. Dollars 1 million referred to in the accounts to 30th June 1971 was extended for a further period of one month to 21st October 1971 at 9½% per annum, at which date it was repaid.

## SECOND BRITISH ASSETS TRUST LIMITED

Nine Months to 30th September, 1971

The Directors announce the unaudited figures of the Company for the nine months to 30th September 1971. These are shown below, together with the comparable figures for the nine months to 30th September 1970.

	30th September 1971	30th September 1970
Total income—Franked	£325,000	£342,000
—Unfranked	452,000	455,000
Interest and Expenses	£777,000	£797,000
Total Assets	£30,768,000	£27,356,000
8 per cent Convertible Subordinated Loan Stock, 1973/78	£1,652,310	£1,652,310
Ordinary 25p shares in issue	9,000,000	9,000,000

Net Assets available for holders of convertible Loan Stock (assuming full conversion) and Ordinary Shares after deducting other prior charges at par

£25,380,000 £21,767,000

Equivalent per share to 228p 204p

## NOTES:

- The applicable amount of the full London Dollar Premium has been included in the valuation. 25 per cent of this amount is liable to surrender on realisation and would reduce the amount available per Ordinary share by 4p.
- Corporation Tax on Unfranked Income less Interest, Expenses and Withholding Taxes to date is £5,000 (£14,000). Overseas Taxes to date amount to £21,000 (£21,000).
- Account has been taken in the current year's figures of Provisional Capital Gains Tax of £53,000 (£31,000) on sales to date.
- The unsecured loan of U.S. Dollars 1 million referred to in last quarter's report was extended for a further period of one month to 21st October 1971 at 9½% per annum, at which date it was repaid.

## ESTATES AND GENERAL INVESTMENTS LIMITED

Announcement of unaudited results for the half year ended 30th June, 1971

	Half year to 30th June, 1971	Half year to 30th June, 1970
Group Profit	£174,778	£153,905
Less: Estimated Taxation	77,152	85,600
	97,626	68,305
Less: Minority Interests in Profits of Subsidiaries (1970 and losses)	28,802	7,281
	68,824	75,586
Less: Preference Dividend	6,812	6,212
Profit available for Ordinary Shareholders	£62,012	£69,374

Each Trust Company Limited has become a subsidiary of Estates and General Investments Limited and the profit has been consolidated at 30th June, 1971. The 1970 figures have been adjusted where necessary so as to be on a par with the 1971 figures.

The Directors have declared an interim dividend on the ordinary stock in respect of the year ending 31st December 1971 at the rate of three per cent amounting as last year to 3.947 pence. The dividend will be paid less income tax on a January, 1972 to ordinary stockholders registered at the end of business on 7th December, 1971.

The Company continues to prosper. The provisional figures for the nine months ended 30th September, 1971 show a group profit of £333,928 as compared with £174,778 for the six months ended 30th June, 1971. It is the present intention of the board to maintain the final dividend at the rate of seven per cent as last year.

## Housing Finance Bill published

BY PHILIP RAWSTORNE

THE GOVERNMENT'S Housing Finance Bill, which will increase rents for the great majority of council tenants and which will be a prime target for Labour opposition in the Commons, was published yesterday.

Ministers estimate that the Bill's provision for a radical reshaping of Government housing subsidies will save up to £250m a year by 1976 and will give local authorities with acute housing problems more resources for clearing slums and for new building.

Labour leaders claim the effect of the measures will be to double most council house rents over the next three years and to add to the inflationary spiral.

The introduction of national rent rebates for the most needy council tenants and a system of rent allowances for private tenants will also require large-scale main-streaming.

Local authorities are expected to begin the process towards "fair rents" for council houses—the "market rent" less the "scarcity element"—within the next few months. They will first assess the "fair rents," consider tenants' representations, and then submit their assessments to rent scrutiny committees for confirmation.

Rents of houses below the determined figure will be brought into line by annual steps and the Bill's provisions enable local authorities to ensure that the average increase is limited to 50p a week in any one year and that no rent is increased by more than 75p a week in any year.

Under a staged programme beginning on January 1, 1973, and spread over about three years, the 1.3m. controlled private tenancies in the country will also become subject to "fair rent" regulation.

The transition will be in three equal annual instalments except that, until the "fair rent" is reached, the annual increase will be not less than 50p a week. Private landlords and tenants will be able to agree rents between themselves, subject to agreement by landlords who make improvements to the property will be able to get a "fair rent" after two years.

## Allowances

Local authorities will be required to operate rent rebate schemes for their own tenants from October 1, 1972, and to operate a scheme of rent allowances for private tenants in their areas from January 1, 1973.

The amount of help available from these schemes for both categories of tenant will be the same—and will not be less than standards set out in the Bill. Every tenant will have a needs allowance: £9.50 for a single tenant, and £13.50 for a married couple, plus £2.50 for each dependent child.

## Union delegates angry after card vote refused

BY ALEX HENDRY, LABOUR REPORTER

ANGRY delegates brought the certain senior union jobs should be contested by ballot elections. Mr. Frank Chapple, general secretary of the union, said they were refused a card vote on their proposed rule changes that was easily defeated by about

## Clerical union's plan to expand membership

BY ELSBETH GANGLIN

MR. ROY GRANTHAM, general secretary of the Clerical and Administrative Workers' Union, said yesterday that, excluding mergers, he expected membership of the union to have reached 250,000 by the end of 1975. This, he added, was a very careful estimate. In actual fact, he may be well beyond this figure by that time. Present membership is around 125,000.

One of the methods the union is to use to spread the gospel is to make trade unionists "catch on" as Mr. GrantHAM put it. This means training, stated the union's research officer, Mr. Barrie Lambert, who changed over from the Communist and Municipal Workers' Union last April.

## Training courses

The intention is to run training courses for members, in order to "motivate" them. Where the union is established, such courses may be organised in working hours.

Mr. Lambert admitted yesterday that an experimental course, run for members of a liaison committee in a building society (this industry is one of the CAWU's present hunting grounds) on a Sunday had proved to be a failure. But "you can learn more from failures than from successes," and "we are undaunted."

"Training is fundamental to the marketing strategy of any union," Mr. Lambert added. A reached within 18 months—trade union basically relied on its

lay members, who thus became the "key elements in a union's growth strategy."

Apart from discussion of the use of management-by-objectives methods within the union, and of making an effort to "become marketing oriented," CAWU is planning to train potential officials at union headquarters.

They would be paid slightly less than established officers, he seconded to headquarters for, say, two years, and be released for part-time courses to the City University or the Central London Polytechnic, to learn about marketing, strategic planning, and basic administration. For the rest of the time, the trainees would work on special projects.

Other training plans include correspondence courses and special courses for finance officers and for training officers. CAWU also intends to produce pamphlets on the Industrial Relations Act, tailored to individual company memberships, explaining "step by step" how the Act affects the union.

Mr. Lambert is thinking, too, in terms of "attitude surveys and other market research techniques," and believes that there is "tremendous potential if we can iron out our own organisational problems."

He is, in fact, less cautious than Mr. GrantHAM and predicts that the marketing strategy mark could be reached within 18 months—trade union basically relied on its

## Airing their grievances

By Michael Domes

A NEW ORGANISATION, called the Airline Passengers' Grievance Association, has been formed to provide an outlet for the public's "genuine grievances and constructive criticism."

The association, with offices at Lonsdale Chambers, 27, Chancery Lane, London, says that all passengers, at one time or another, have been irritated and frustrated by lack of information, breakdowns of services, baggage mislaid or lost, flights routed or cancelled without sufficient explanation, long delays on the ground, bad service in the air, and the absence of communication between officials and passengers.

It argues that "if enough of the public band together internationally to voice their dissent and dissatisfaction, the airlines would be forced to improve their services and facilities."

## Clothing Neddy writes Guide to work study

IN AN EFFORT to impress the benefits of work study on more managers in the clothing industry, the Little Neddy for the Clothing Industry publishes today a 36-page booklet on the subject.

The booklet, written by the Little Neddy, outlines a range of simple examples such as stitching braid ornament on to women's overalls to the complex problem of completely redesigning the layout of a large trouser room.

The booklet is the third publication in the Little Neddy series. It was prepared by the organization's Manpower Working Party chaired by Mr. P. L. McConnell, a director of Kayser-Roth.

Work Study in the Clothing Industry, NEDDI, Millbank Tower, London, S.W.6, Free.

## Twin-jet for Robin group chairman

MR. ROBIN LOH, chairman of the Robin group of companies of Singapore and Hong Kong, has taken delivery of a BAC One-Eleven Series 400 executive twin-jet aircraft. He will use it in South-East Asia.

Mr. Loh is involved in shipping, banking, real estate, shipbuilding and oil exploration, and runs a mixed cargo and tanker shipping fleet.

Twelve BAC One-Elevens have now been sold for business and Government use by nine operators in the U.S., West Germany, Australia, and Brazil as well as in Singapore and Hong Kong, the British Aircraft Corporation said yesterday. More than 200 of all types are in service or on order in many parts of the world.

## NEDC Four call for study of wage threshold agreements

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

THE TUC and the Confederation of British Industry are to examine the practical implications of wage "threshold agreements," under which the rise of a wage increase would be automatically increased if prices rose above a certain level after the original agreement had been made.

After studying the theory of threshold agreements, the National Economic Development Council's Group of Four (Sir Frank Figueras, NEDC director general, Sir Douglas Allen, Permanent Secretary to the Treasury, Mr. Campbell Adamson, director general of the CBI, and Mr. Vic Feather, TUC general secretary) told yesterday's monthly meeting of NEDC that they could not reach a final view on the merits of such agreements without the aid of practical studies.

The original version would have made allowances in a wage settlement for price increases during the past year, and also for the forecast rate of inflation over the next six months.

This type of agreement now being considered is described as offering unions an "insurance policy" against future increases in the cost of living, but "not a banana."

It is aimed at eliminating automatic provision for future price increases from a wage agreement, but at the same time giving the assurance that, if prices did rise above a certain minimum level, then compensation would be available.

The first conclusion reached by the NEDC Group of Four is that threshold agreements could reduce, maintain or accelerate the rate of inflation, depending on the terms and conditions involved.

For example, settlements at a low level with considerable safeguards against cost of living increases, would tend in the medium term to bring down the rate of inflation, but high settlements, with only a small provision for cost of living increases, could make the situation worse.

The idea of threshold agreements was raised by the TUC

earlier in the year at NEDC, some months before the CBI's suggestion was dismissed out of hand by the Government on the grounds that, as proposed, it was a formula for accelerating inflation.

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NEDC recognises that the complex structure of U.K. wage bargaining at both national and local level might make it difficult to apply threshold agreements widely. What it is trying to find out is whether settlements of what it describes as the "benign" sort are a practical possibility.

## Anathema

The word "incomes policy" is still anathema to the Government and NEDC, and it is emphasised that the examination of threshold agreements is only a part of a wider NEDC study of proposals which will help to provide sustainable growth of real incomes and reduce unemployment.

The Group of Four is also examining regional policy (which will be discussed at the December NEDC meeting) and industrial investment and manpower, to be discussed by the Council in January.

The Secretary for Trade and Industry, Mr. John Davies, emphasised at yesterday's meeting that U.K. entry to the Common Market in January, 1973, was now "a reasonable contingency."

From January, 1972, onwards, the U.K. would be considered on EEC policy, and therefore in a position to influence it. It was essential that outside bodies should prepare for entry and make their views on policy known to the Government.

## Port of London "may price itself out of existence"

BY JAMES McDONALD, SHIPPING CORRESPONDENT

THE PORT OF London might be pricing itself out of business, the Malaysian International Shipping Corporation said to London last night.

Mr. H. P. Sivas—European representative for the Malaysian line—said: "We have now seen the results of the first eight voyages, and much to our regret we have noticed that the cost of discharging cargo in the Port of London is three times as high as at an average Continental port."

The company has also ordered a 33,000-ton bulk carrier and four woodchip carriers for 1972 and 1973, while on OBO (ore-bulk-oil) carrier of 165,000 tons will join the fleet in 1973.

Mr. Victor Wood, chairman of Lambert Brothers (Shipping)—a member of the HBI Samuel group and the line's U.K. agents—announced that it was planned to increase sailings to the port from the spring of 1972 and that Liverpool and Japanese ports would be added to regular voyages

drastically and rapidly," said Mr. Siegers, at a reception on board the Bunga Tanjung, the latest 10,000-ton motorship to join the MISC fleet.

A multi-purpose ship "able to carry conventional cargo and also 200 containers, the Japanese-built Bunga Tanjung is the fourth ship to join the MISC fleet this year."

She will be followed over the next year by four more ships—two of 12,000 and two of 16,000 tons.

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which at present range from Hamburg to Hong Kong.

At a mass meeting yesterday London Dock's tally clerk, Roy Rogers, offered to keep 51 surplus clerks on full pay—£40.50 for 32½ hours—at least until the end of the year, writes Roy Rogers.

Recent moves to have them transferred to the unattached dockers' fund on full pay of £20 a week—sparked off a series of token strikes. Employers hope that their voluntary redundancy scheme will have eased the situation by the end of the year.

Yesterday's mass meeting at Poplar town hall decided to review the situation by December 31 and hold a further meeting to discuss developments.

The port employers are offering dock workers, including tally clerks, voluntary paid severance in the hope of shedding some 800 surplus workers.

## Mintoff may go to Moscow

BY GODFREY GRIMA

IT IS believed that Mr. Dom Mintoff, the Maltese Premier, is going to Moscow for talks with the Kremlin.



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# Jamaica: the politics of bauxite

Ken Gofton, who recently visited Jamaica, describes a case study of the almost inevitable conflict between countries which supply the world's raw materials and the giant corporations with whom they must co-exist

SUNDAY afternoon on Jamaica's North coast, the children play in the water, the mothers gossip under the palm-thatched umbrellas on the beach, and the menfolk, with more serious matters on their minds, stand at the bar and sip their Appleton and Coke. Inevitably the conversation turns to politics and—since this is close by one of the important mining areas—what should be done about the island's bauxite.

A local councillor chips in. He is a member of Michael Manley's People's National Party, generally regarded as being slightly to the left of the Jamaica Labour Party, now in office. "The bauxite reserves are like diamonds in Africa," he says. "For centuries, people walked on them, they had no value. Other people come, and they have a value. Throw those other people out and they have no value again."

## Satisfied

Do not take that comment from the grass roots as an assurance that Jamaica will never nationalise its greatest natural asset, even more firmly, do not take it to mean that Jamaicans are satisfied with the deal they get from the aluminium companies. Yet there is some truth in the view expressed by the Minister for Trade and Industry, Robert Lightbourne, when he says: "We have no 'isms' on this island except pragmatism."

The politics of Jamaica's red soil, the raw material of the aluminium industry, merit some attention at the present time. For a start, Jamaica faces the possibility of a change of government by next summer, although in truth there is very little difference between the stated policies of the JLP and the PNP on bauxite.

In a wider context, there is a case study here of the almost inevitable conflict that exists between the countries which supply the world's raw materials and the giant corporations, the "transnationals". The oil nations and the copper nations have grouped together to strike a tougher bargain, and there are signs that the bauxite countries are beginning to collaborate. "We have assisted some of our colleagues in making new agreements," says Mr. Lightbourne. "I take the view that if one of our colleagues makes a bad bargain, it is bad for all of us."

As one influential Jamaican put it to me, if the bauxite is ever nationalised, it will not be for ideological reasons, or out of malice, but because the sums have been done and it is thought to be in the country's best interests. With sugar and bananas in a bad way, Jamaica has to wring every dollar it can out of its other resources.

The world aluminium industry is largely in the hands of half a dozen companies—Alcoa, Reynolds, Kaiser, Alcan, Pechiney and Alusuisse—and they are "transnationals" because the process makes them so. The bauxite ore and the cheap power required for smelting are rarely found together.

This structure is frustrating to the developing countries in three ways. First they are anxious to have as much as possible of the processing done within their boundaries to generate the maximum employment and wealth from what is, after all, a dwindling asset. Inevitably the companies see their responsibility as being to site new investments where they will earn the best return.

Jamaica, for example, is exerting considerable pressure to ensure that, as a long-term objective, all bauxite is converted into the intermediate stage, alumina, before leaving the island. Alcan has always followed this policy, with alumina plants at Kirkvine, near Mandeville, and Ewarton. More recently, Kaiser, Reynolds and Anaconda have opened a joint plant under the consortium name of Alpart; Revere will be commissioning soon, and Alcoa will follow shortly afterwards.

## Frustration

The second cause of frustration is that it has become commonplace for developing countries to look for "a slice of the action" in the form of a local equity stake in industry, in order to avoid what they see as replacing one form of colonialism with another. In the case of bauxite and alumina, they are thwarted, short of going for outright nationalisation, because of the way the industry is vertically integrated. "It is not a good thing being in business with someone who sells to himself," says Mr. Lightbourne drily. "You are not likely to become wealthy in the process."

reasons. Taking over the industry would deter other investors and tourists. There are better things to spend money on than compensation to the aluminium companies: the industry has invested something like \$500m. in Jamaica. And, without the support of those companies, there could be problems in selling the product.

The third source of frustration is the question of establishing what profits the locally-based mining subsidiaries are making when their output is going to their parents. Caribbean countries initially left it to the companies to set the transfer prices, but this was quickly seen to be a naive mistake.

The position now is that a levy is made of between 15 and 25 cents on every ton of bauxite shipped; additionally, the Government deems the companies to have made a profit of \$5 a ton, and taxes that notional income accordingly. In the case of alumina, a transfer price is set by the Government. This is the price at which it is assumed Alcan Jamaica and Alpart sell their product to their parent companies, and on that basis Alcan's Jamaica subsidiary appears to be one of the most profitable companies in the aluminium industry with a return of 15 per cent or more on capital employed.

However, the rider is that if the transfer price was in line with prices actually being realised for the small quantities sold in the open market—around \$60 a ton—and not substantially above it, Alcan Jamaica's profit would be wiped out. As a result of renegotiating contracts, and the growing proportion of output leaving the island in the form of alumina, the Government's direct revenue in royalties and taxes rose last year from £10.5m. to £18m. On top of that the companies spent £22.5m. on capital investment

last year, a further £19m. on goods and services, and £11.5m. on wages and salaries. Thus their contribution to the Jamaican economy is critical. And yet, for the average Jamaican, the pinpricks remain—the belief that the companies act in their own interests rather than that of the island, that there is not enough local participation in the industry, that per-

longer experience than most of conditions on Jamaica, and the group recently gave me an opportunity to talk at length to senior executives both on the island and in Montreal. Nathanael Davis, president of Alcan, stresses that it is the group's policy to be a good citizen in each territory in which it operates: few in Jamaica would quarrel with that. Like one or two of its competitors, it does much more than it is strictly obliged to in terms of raising farming standards on its lands, and so on. He also maintains that fears about the powers of the "transnationals" are exaggerated: developing countries would do best to invest their limited capital in essential services and leave the risks to companies like his own.

And yet he concedes that there is a tug-of-war. For instance, one of the odd by-products when Alcan acquired half of the state-owned Norwegian aluminium company, ASV, was acceptance of the condition that Norway should be represented on the Board of Alcan Jamaica (as ASV's source of raw materials), and the Alcan group Board in Montreal (the Norwegian Government having emerged as the biggest single shareholder in the Canadian group).

It is easy to see why some Jamaicans should look for an equal voice in Alcan's affairs even if, to Alcan, Jamaica is just one of six countries in which it has alumina production facilities. The Guyana experience has sharpened Alcan's resolve to spread its interests and not become too important in any one country.

In fact, it is clear that many Alcan executives (and the same is undoubtedly true in other "transnationals") feel that their life is already too closely hemmed in by various governments: they are not anxious to see that influence increased. And if Jamaica had a say in Alcan policy-making, what would be its attitude to the group's plan to build an alumina plant in question of shipping in liquefied natural gas?

There are no obvious answers to the complex issues that arise in the relationships between the giant corporations and the international groups—the one certain point being that we shall hear more of them in the future. A parallel exists with the class of interests arising between a trade union and an employer, but in this case there is no international Industrial Relations Act or Code of Practice. Perhaps there ought to be.

## JAMAICA'S BAUXITE AND ALUMINA

	1967	1968	1969	1970
<b>BAUXITE</b>				
Total output ('000 long tons)	9,121	5,391	10,333	11,820
Exports ('000 long tons)	7,142	6,212	7,909	7,575
Value of exports (£'000)	35,722	31,010	38,000	37,576
<b>ALUMINA</b>				
Total output ('000 long tons)	815	910	1,138	1,689
Exports ('000 long tons)	825	867	1,177	1,737
Value of exports (£'000)	20,886	23,416	35,551	53,148
Total export earnings, bauxite and alumina (£'000)	56,608	54,426	73,551	90,724

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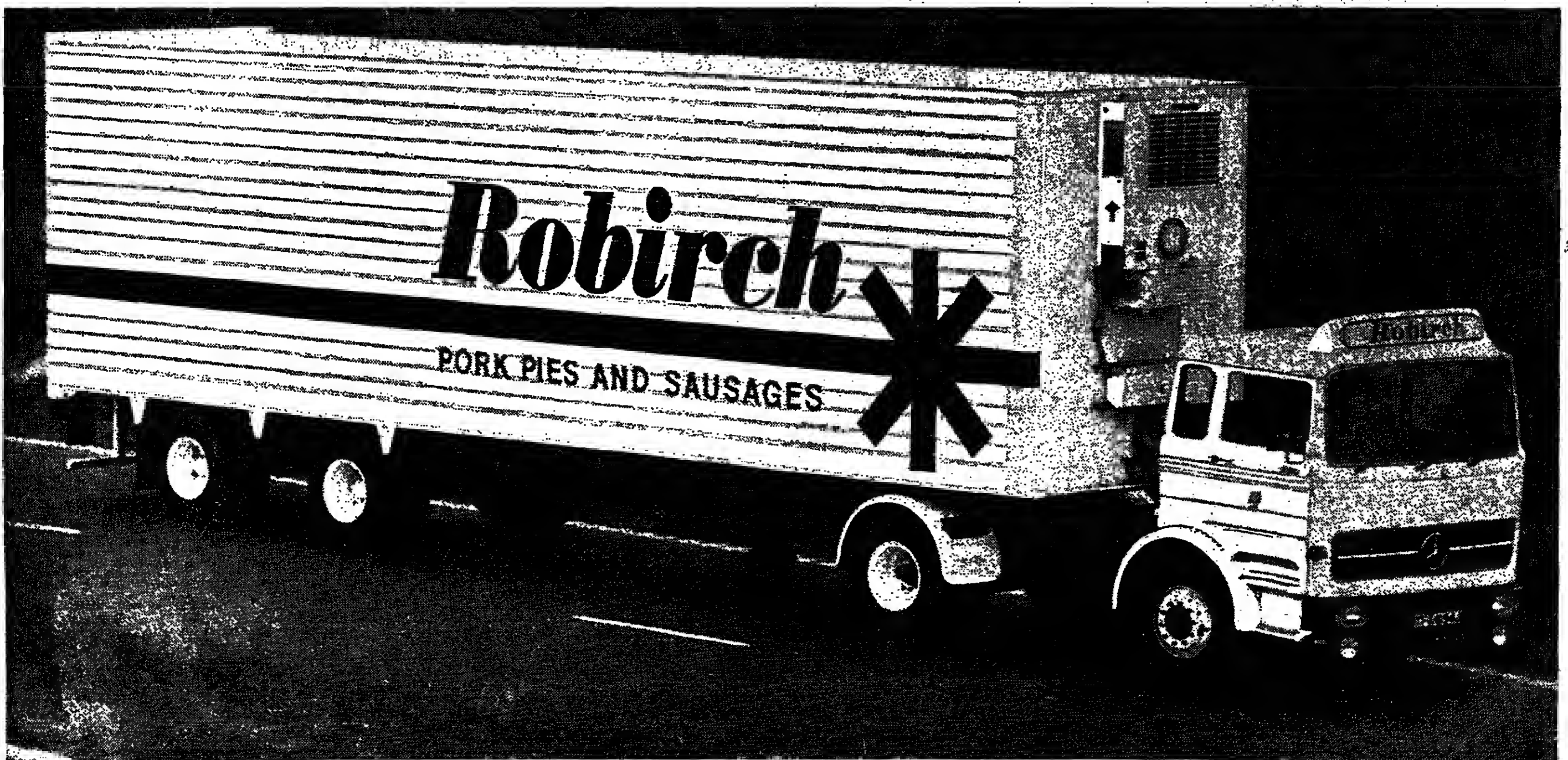
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## Worries over EEC

By COLIN JONES

Hauliers are one section of the community who may have had good reason to be apprehensive about British entry into the Common Market. The EEC common transport policy—so far as it has yet been developed—has always looked far more restrictive and bureaucratic than anything proposed or experienced in Britain for many years past. And, presumably because transport was placed well down the pecking order of British negotiating priorities, there never seemed any real likelihood of securing special terms during the Brussels talks. Compared, say, with New Zealand's hatter, Commonwealth sugar, or even the fishing industry, the hauliers' interests of hauliers and other transport operators clearly ranked nowhere.

### Transport policy

The situation is not quite so ominous as it has seemed, however. First of all, Britain's bargaining position on matters like transport policy becomes palpably stronger once the negotiating phase is over, the treaty has been signed, and membership has actually begun. Being a member is different to being merely an applicant. Second, since little of the EEC common transport policy has yet been put into effect, there is still time for collective second thoughts. A determined attempt by, say, the Dutch and British (whose national transport policies reflect a similar philosophical approach) to put a new and more liberal impetus into the EEC transport policy could still have an appreciable chance of success.

### Broad parts

Other aspects of the EEC common transport policy do not call for such an immediate choice, perhaps. But the issues involved are as important, and the chances of securing a change of policy are possibly greater. Here, the policy falls into two broad parts. The first deals with international haulage, where a system of community quotas has been created to operate side-by-side with (and eventually to replace) the present system of bilateral quotas, and where charges are to be governed by a "forked tariff" system of published minimum and maximum rates. So far, hardly any progress has been made in drafting, let alone in implementation.

# Road Haulage

FINANCIAL TIMES SURVEY

## Recovery appears likely

COLIN JONES

After all the turmoil of the last few years, more than one haulier has been heard to mutter "peace in our valleys." This, alas, has been one of the less successful imprecations. The 1968 Transport Act have become a matter for history books. But all the various regulations it gave birth to have not yet been fully worked out. So do a host of other contemporary changes. Even newer pressures have been added—perhaps the most important of all, the three E's: the economy, the environment, and a whole.

### Bigger lorries

On the second factor—environment—all cannot yet be regarded as lost. The 44-tonner decision may have been disappointing. After all, bigger lorries ply on Continental roads notwithstanding the countries' alleged bias in favour of rail and against road transport. But this decision was clearly intended to be one that did not have permanent effect. It was related to present road capacity and, as Mr. Peyton, the Minister for Transport Industries, said last month at the Conservative Party Conference at Brighton, it will obviously have to be reviewed before very much longer.

### More marked

This decision possibly accepted, the decisions that have so far emerged from the new Department of the Environment have on the whole indicated a more marked decline in traffic has both prolonged and widened the upsurge in costs of all materials as well as the trends, however, appear

to be in process of changing. Here and there—in car sales, for example, in private house-building, and in certain other consumer trades—recovery appears to have begun. By the end of the winter, the revival in the pace of activity should be both widespread and appreciable, and road haulage—which is particularly sensitive to conditions generally in industry—should be one of the first of the service industries to benefit. Even more important, perhaps, cost trends now appear to be moving in an encouraging direction—at least across industry as a whole.

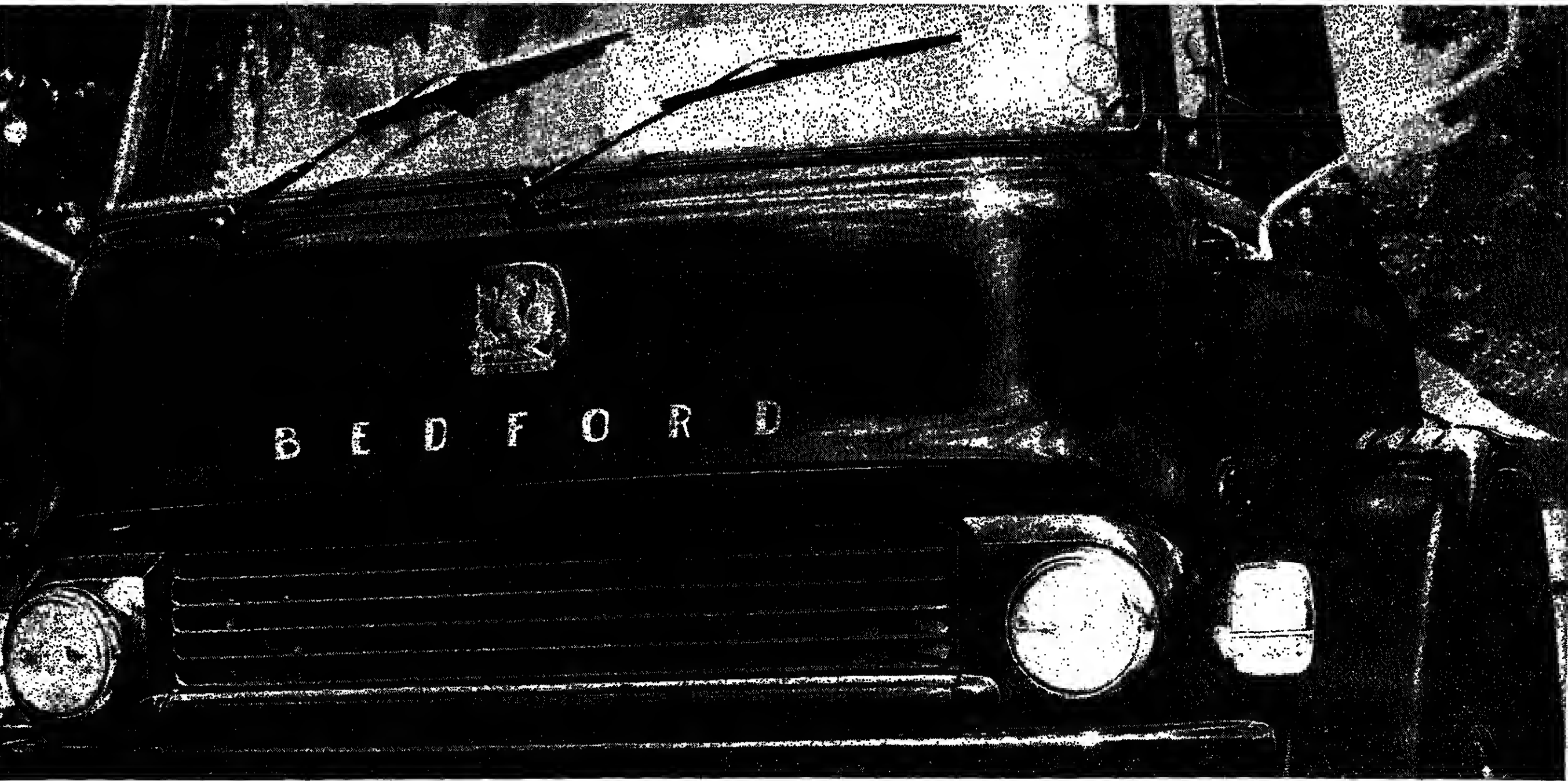


Anticipating higher legal weights on short vehicles, Ford has designed this latest six-wheeled tipper.

This leaves Europe, and here work, the effects of its introduction could be pretty modest. For real cause for anxiety, not only in France and some of the other existing member EEC's common transport policy has yet come into effect. And, are considered to be of major moment or not, the economy certainly appears to be set upon a bout of expansion. And that, at the present time, is a source of chance of more liberal second thoughts prevailing, especially haulage industry.

petrol, oil and lubricants and other supplies. Likewise, with the Common Market itself. The common transport policy so far evolved by the six existing members has often been described as just as reactionary, restrictive, and bureaucratic as the better-known common agricultural policy. As a broad statement, haulage services—could trans-

form the prospect in which both Europe and the environment are adjudged. Whether these issues are considered to be of major moment or not, the economy certainly appears to be set upon a bout of expansion. And that, at the present time, is a source of chance of more liberal second thoughts prevailing, especially haulage industry.



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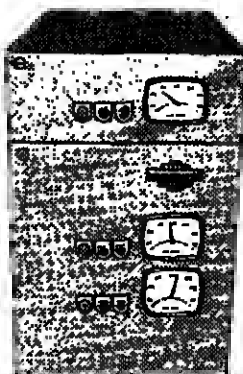




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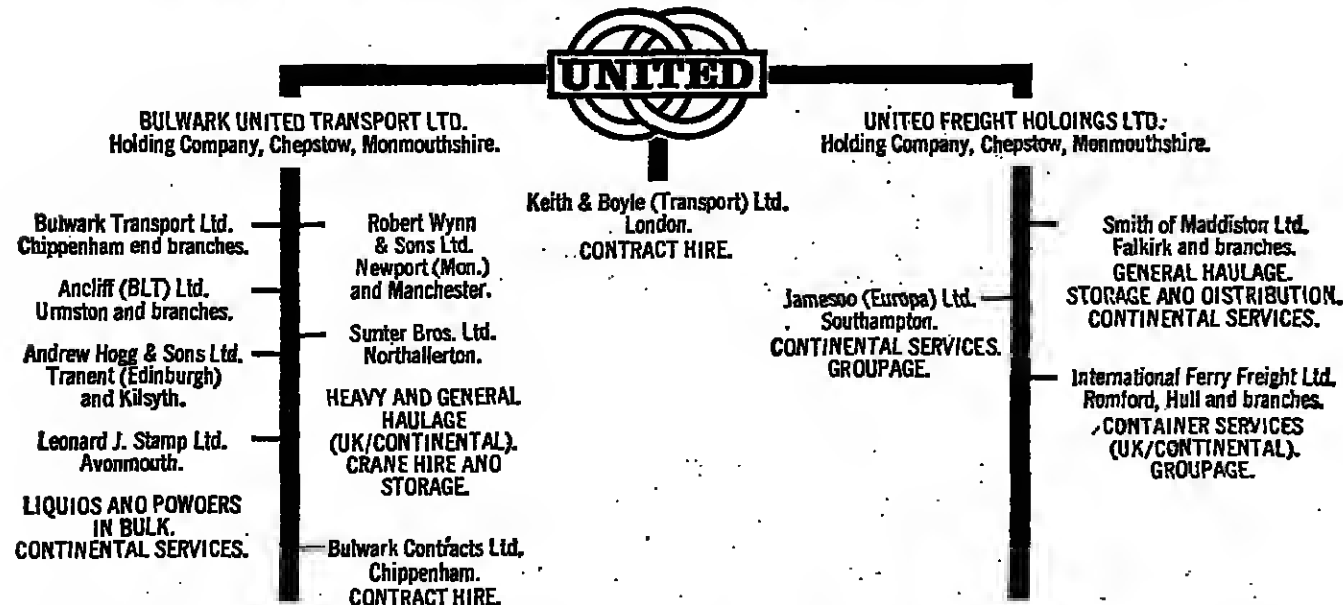
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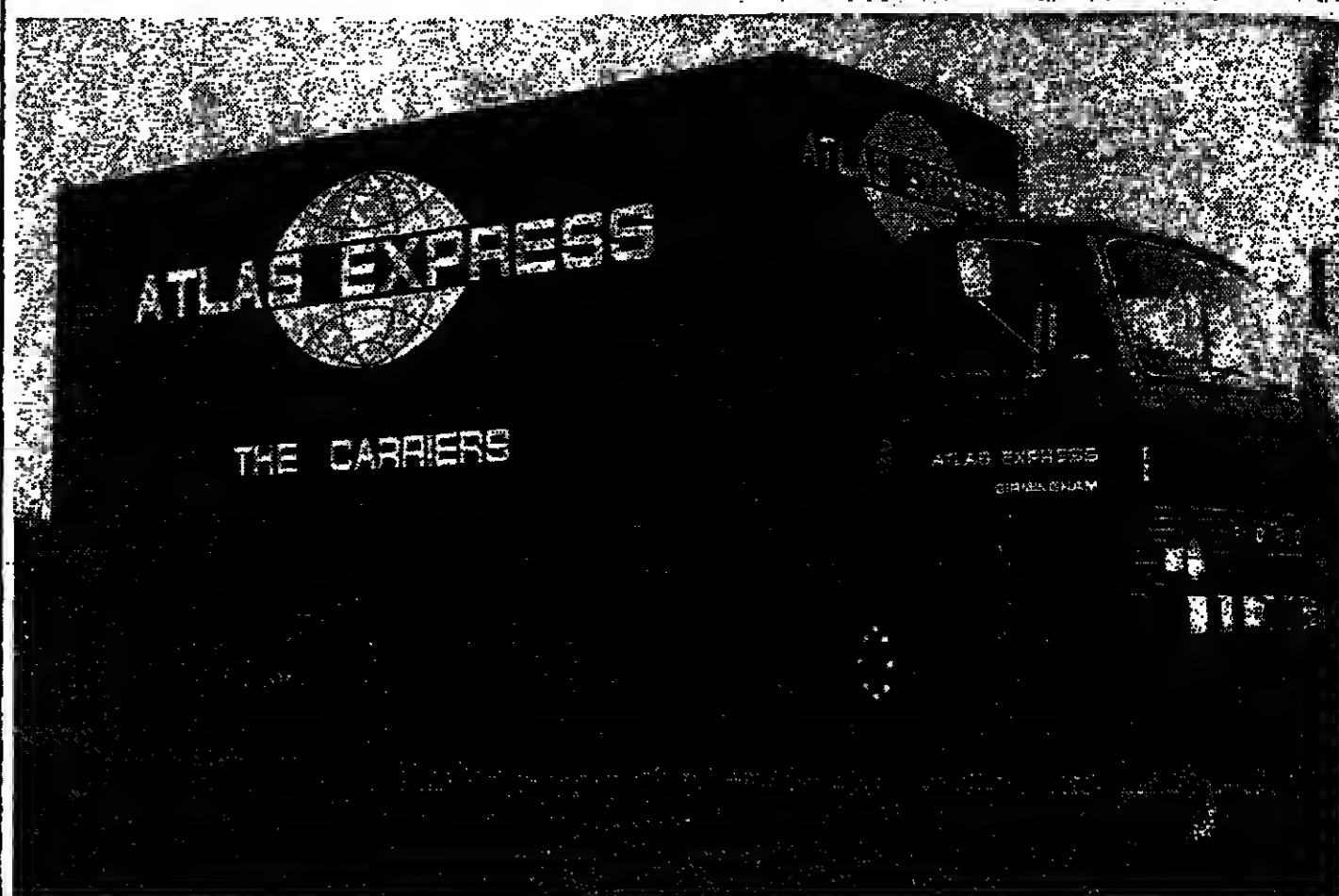
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## ROAD HAULAGE II



A vehicle belonging to Atlas Express, a leading firm of road hauliers.

## Shortage of drivers becoming worse

By DAVID WALKER

Britain's road haulage industry is one of many in which training has assumed far greater importance over the past few years. Independent hauliers, who account for perhaps 50 per cent. or so of the half million goods vehicles on the roads to-day, have long got by with very little in the way of training indeed.

They have also got by with chronic labour shortages at all levels, partly because the industry is, comparatively, of modern foundation and dominated by small companies whose founders are often still in the saddle.

Many forces are now at work. In the labour field, especially, the predominant events forcing change have mostly been imposed from outside the industry and, in particular, from Government.

Legislation over the past few years has both made higher training standards essential and has also, incidentally, aggravated the difficult labour situation. Thus, the limiting of drivers' hours has made the employment of more drivers essential, especially in small concerns where commonsense ideas as to how long it was safe for a man to keep driving during any one period may not have been given the prominence they should have had.

### Medical tests

The introduction of special heavy goods vehicle driving licences, phased in over the past three years to replace the former requirement of age only, has made proper tuition for drivers essential, instead of leaving it to individual companies which, as often as not, were prepared or forced by labour shortages to trust anyone aged 21 or more with a driving licence which was probably gained via the private car driving test, to take charge of a heavy vehicle.

Alongside the driving tests have come compulsory medical tests removing from the labour ranks a number who would otherwise have continued driving until forced to retire through age or accident.

On the vehicle maintenance side, as well, legislation has boosted labour demand and forced up standards. The plating and testing regulations mean that each vehicle is subject yearly to a thorough mechanical examination for which a high standard of regular maintenance is necessary. Moreover, the introduction of random roadside tests and smoke and noise regulations means that a vehicle has to be kept in good condition the whole time.

Factors other than legislation have been at work, too. The shortage of drivers—at present, because of the general economic situation and consequent decline in the growth of demand on the industry, far less acute than it has been, but expected again to reach crisis proportions by 1973—has been aggravated by the quality of recruits to the industry. To-day, there are some 140,000 heavy goods vehicle drivers in Britain, and demand has been rising by about 4,000 a year.

### Age limitation

Many of those entering the industry are people who have failed in other fields; road haulage has little proper career structure, particularly for drivers. A root cause is the age limitation, which makes it impossible for a man to drive a heavy goods vehicle until he is 21. The difficulties that brings in the recruitment and proper training of school leavers are obvious. In addition, the working life of a driver tends to be shorter than normal. By 50 or 55, the average driver is tired of travelling around and seeks more sedentary work.

As far as mechanics are concerned, the industry has to compete for labour with the private car servicing industry, which can offer far more attractive working conditions, and which has also been facing a shortage of skilled men.

The lorry mechanic can have a considerably more difficult job than his private car counterpart. A breakdown, for example, generally means on-the-spot work. Towing a heavy articulated lorry back to a garage or depot to be worked on at the mechanic's convenience and in convenient conditions is just not on. With the private car, roadside work is very much the exception.

He also faces evening and week-end work because of the natural desire of the haulier to have his vehicles serviced only at times when they cannot be earning him money.

Higher up the labour ranks, the industry has also been facing problems. Its labour relations have begun to worsen. Formerly, the industry's predominance of small operating units meant these were based on personal contacts between bosses and their drivers. Now, drivers are becoming more union organised, while the units, too, are becoming bigger. The old system can no longer work, but little has developed to replace it. In particular, the

industry generally lacks supervisors capable of bridging the gap between management and men.

With the growth of larger units and its, as it were, coming of age, it is also beginning to face a certain lack of management. Many of those at present in charge are self-made men; there is a problem in finding people able to take over. Here again, legislation has been passed which could materially affect the situation—the Transport Act, 1968, provided for compulsory licences for the 200,000 transport managers in private industry and road transport. But the relevant provisions of the Act appear to have been quietly dropped by the present Government.

On virtually all these fronts, the industry is now actively concerned with putting its house in order, both through its own organisations and in conjunction with the Road Transport Industry Training Board despite initial industry objections to the Board's structure which led to significant changes in the way it works.

About 100 group training associations have been set up by the industry and the Board over the past couple of years, catering mainly for drivers, and overcoming the training difficulties of small companies unable to finance or operate their own schemes. The groups achieve a pass rate of about 80 per cent. in the heavy goods vehicle driving tests, against a national average nearer 50 per cent.

### Pilot scheme

But the groups cannot train people, not in the scope of the ITB, such as drivers for manufacturing companies, and moves are in progress to extend their coverage. A pilot scheme has also been set up by the ITB to train unemployed men as drivers in areas where there is a shortage and where employers have been prepared to guarantee them jobs at the end of the training period.

In addition, the Road Haulage Association has met considerable success with its scheme introduced in May last year for the recruitment of trained drivers from the armed forces, particularly the Royal Corps of Transport.

Now, the industry is pressing the Government strongly, though with no success so far, for a reduction in the minimum age for heavy goods vehicle drivers.

The scheme, which is backed by the Confederation of British Industry, is intended to provide a system of market competition.

The Dutch applied this enlightened approach to transport policy before we did. After entry, we will be able to add our voice to theirs in the attempts to secure a more liberal form of common transport policy. Nor are France and Germany likely to go on being prepared to underwrite the losses of their national railways on freight (as distinct from passenger) traffic. Sooner or later, the restrictive approach to road freight transport will wither in these countries and for the same reasons as it already has in this country and the Netherlands.

Industry, the unions, the Freight Transport Association and the Road Haulage Association, would have a stoppage licence system, allowing year-olds to drive two-year-olds and 19- or 20-year-olds to take the wheel of multi-axle lorries barred to all those over 21.

That, the industry argues, would add to road safety through the creation of a proper career structure and the training of more responsible drivers by starting the training from the time they leave school. An apparent system would link the train with his employer.

### Closer links

A 17-year-old, the industry points out, may drive a potentially lethal clapped-out car with no hindrance, yet forbidden—except in the services—to drive a checked and tested heavy goods vehicle.

As far as mechanics are concerned, the Training Board has set up liaison with technical colleges to encourage young people to take up apprenticeships in the industry, bring some movement away from colleges' traditional concentration on car mechanics.

On-the-job training is fostered by ensuring employers have to have proper standards before they are entitled to grant a licence. In addition, employers, too, are being encouraged to have closer links with colleges. In addition, many vehicle manufacturers run their own mechanical training courses.

The management side of the industry is at present less well covered. The Road Haulage Association runs one-week residential courses for management covering management techniques, including industrial relations, personnel handling and so on. Through its area organisation, the RHA also runs regular short courses on such things as costing industrial relations.

It aims eventually to induce a proper career system here as well, again aimed at encouraging youngsters to enter the industry from school. I could come into operation next year, with companies in the industry following laid-down standards and complying with already drawn-up guidelines training and a suggested salary scale.

A register of companies meeting those approved standards would be set up. The hope is that the group training organisations would participate, with the whole thing could link with some sort of professional qualification through day-release study as well as on-the-job training.

That could possibly work too, with the introduction of transport managers' licences, a voluntary basis, though it might prove to be an important stumbling block.

Alongside the efforts of RHA come courses run by Industry Training Board which, however, has not so far proved very successful in getting managers' attendance. The biggest gap still left training is with supervisors. The moment these tend to be drivers or former fitters, rather than acting as a bridge between the employed and employers, place themselves very much on the side of the former. On supervisory training the RHA has been working with the Institute of Transport but the drawing up of suitable courses has run into financial and syllabus problems.

## Worries —(Cont'd)

Continued from previous page

implementing the price regulation proposals; and the number of community quotas so far authorised has been relatively very few.

In the other part—national haulage—progress with a common policy has been even more limited. In addition to requiring certain minimum standards of professional competence and financial reliability—but only from commercial hauliers, not from own-account operators, the proposals that have been made also envisage a form of capacity control which would apply directly to commercial haulage and, in certain circumstances, also to own-account operations.

Within a 50-mile radius, commercial haulage would be free of restriction—except for any rules imposed by the national

authorities. Beyond 50 miles and within a 200-mile radius, commercial haulage would also be largely unrestricted. But, beyond that limit, licences to operate would be issued strictly on the basis of a quota.

### Minimum standard

These proposals are quite foreign to the system now operating in this country. There is now only one form of carrier's licensing. It is designed to ensure a minimum standard of quality in performance—particularly in maintenance and safety. It applies equally, with no recognisable distinction, to commercial hauliers and to own-account operators. And there is no attempt to curb competitive pressures upon the railways or to restrict competition in

freight transport in any other respect. This approach reflects the belief that users' interests are the prime consideration and that they are best served by a system of market competition.

The Dutch applied this enlightened approach to transport policy before we did. After entry, we will be able to add our voice to theirs in the attempts to secure a more liberal form of common transport policy. Nor are France and Germany likely to go on being prepared to underwrite the losses of their national railways on freight (as distinct from passenger) traffic. Sooner or later, the restrictive approach to road freight transport will wither in these countries and for the same reasons as it already has in this country and the Netherlands.



## ROAD HAULAGE III

# Problems for state-owned parcels carriers

by RAY DAFTER

The three state-owned parcels carriers—the National Freight Corporation, British Rail and the Post Office—have been facing a hard time at their operations in the light of increasing competition from the private sector and their poor financial record.

Some of their problems are in common with those of carriers generally: rising costs and the depressed economic situation. This is reflected in the amount of traffic available, for example. But on top of this the state-owned carriers are faced with special problems. The National Freight Corporation, for instance, is the largest of the three, but it is also the most heavily subsidised. The Prices and Incomes Board which looked at NFC operations last year, accepted a realistic appraisal was difficult; that the definition of the market was imprecise because of the amount of distribution done by companies in their own fleets.

### Private companies

A "pie graph" giving approximate market shares in the last NFC report published in July shows own-account carriers shipping up well over half the total market and the state-owned carriers about one-sixth. The larger private companies have consolidated their position since the 1968 Transport Act led to the emergence of a few big, but unknown, number of small operators often exempt from licensing or plating requirements and because of their up-able to offer cheaper rates.

The situation is further complicated by the growing trend to large wholesale and retail householders at the rates Post

Office charge 1 would soon be out of business.

Although there has been a good deal of speculation about the parcels activities being hived off, Mr. Ryland said in August he wished to put an end to these rumours, adding that the parcels service would be retained.

Investment in facilities for the Rail Express Parcels Service, including mechanised depots at Euston (London) and Manchester, was an indication of the valuable part the parcels undertaking was playing in the rail system, said a British Rail spokesman.

According to the Government the service handled 72m. packages in 1970, compared with 73m. the previous year, 75m. in 1968 and 86m. in 1965. While British Rail does not give profit and loss figures for the parcels business the Freight Integration Council pointed out that it seemed likely "that the services which include collection and delivery by road are making only a marginal contribution to total railway costs."

Nevertheless British Rail is actively promoting its parcels business as a significant and competitive enterprise.

### Biggest changes

This brings us then to the NFC where the biggest operational changes could well occur. Talks are already well in hand with trade unions and other interested bodies over the future activities of the Corporation's main parcels carriers: BRS Parcels and National Carriers. Between them they last year handled 178m. packages (again the figure has been dropping in recent years); they have a total staff of 34,500 and fleets of some 12,000 vehicles.

While BRS Parcels made a profit of some £800,000 last year NCL, the former "rail sundries" division of British Rail lost £11.5m., covered by a £13.4m. Government grant. The grant is part of a £60m. fund on which the NCL can draw over a five-year period. NFC points out that it has been drawing less each year and that the performance of National Carriers has been improving steadily.

But the PIB report on the NFC published in January stated that the steps which National Carriers had taken to improve efficiency and reduce costs were far from sufficient to make the company profitable. Stronger measures were obviously needed.

The report made several suggestions: NCL should be run down to a skeleton network of major depots for road/rail interchange, required for long distance rail trucking; it should

be transformed into an inter-city service abandoning all the outlying areas and cross-country routes to a slower BRS service; NCL should concentrate on larger, more awkward, parcels with BRS handling smaller packages; or the separate identities should be preserved only in areas where there was sufficient traffic to support two systems with BRS Parcels being given the leading role.

A merger of National Carriers and BRS Parcels has also been mooted as one of the possibilities of rationalisation.

### Wide network

About two months ago the Corporation announced its own broad reorganisation proposals which differ from all of these suggestions. It sees National Carriers to the role of national distributor of parcels and small freight with a wide network of services and BRS Parcels concentrating on high-speed services over dense routes.

Announcing the move, Mr. Dao Pettit, chairman of NFC, said that extensive studies and appraisals of the market had revealed that over the last decade there had been a quickening movement away from standard network types of services towards services tailored to meet particular customers or traffic needs. Many customers, however,

would always be seeking a service providing a national coverage, where goods could be put into a system at any point and delivered from any other. This segment required reliability and regularity rather than high speeds as its key factors. It appears that operationally National Carriers had the best base from which to tackle this task.

BRS Parcels, said Mr. Pettit, was well suited to provide high speed route specialisation demanding great flexibility in operation and management, and a staff capable of providing a uniquely special sort of service, tailor-made to customers' needs.

Incidentally, the companies of BEC (Specialised Services) within the Corporation, are likely to continue to concentrate on localised distribution. Such a shake-up in the parcels division will inevitably lead to some depot closures and a good number of redundancies (not as many as might have arisen with some of the other rationalisation suggestions however).

But, Mr. Pettit said, the plans presented the prospect of a rewarding and exciting partnership. The aim was to build on the individual strengths of the two main companies at the same time as eliminating the frustrations of competitive overlap and minimising the degree of human inconvenience and hardship.

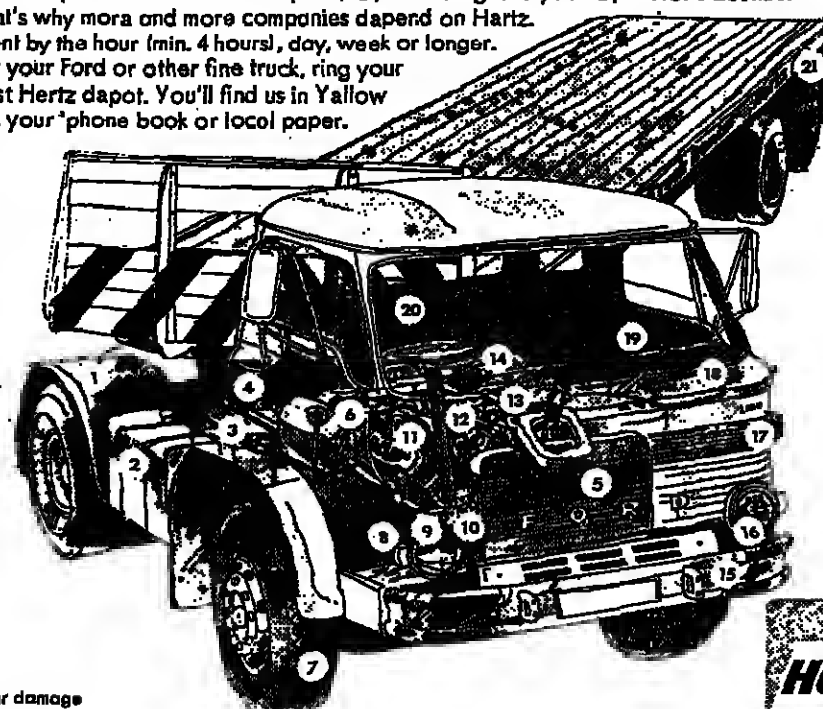
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The Ipswich branch of BRS Parcels.

## Losses from crime being reduced

JACK HAY

Incidence is growing among hauliers in Britain that are at last beginning to take real progress in their efforts to reduce their losses from crime, and in particular thefts.

Left now accounts for losses about £6m. a year, a figure which operators still regard as high, but one which has been down dramatically in the last few years.

There has also been a reduction in the number of vehicles stolen—from 4,063 in 1967 to last year. Theft of

des from private premises dropped too from 1,305 in 1967 to 1,063 in 1970.

The Road Haulage Association feels that the situation is at least being contained but stress need for taking proper measures against the threat of crime. The measures mean employing the right people, and giving them the right facilities.

### Radio equipment

is means that the driver is secure at all times, that when he leaves his vehicle he can ensure that it is properly locked. Usually when he is on the road he should know that if he is attacked he can call on help immediately.

Currently over 3,000 commercial and private vehicles are equipped with radio equipment, areas where vehicles can be kept under guard. But the driver to call for help is still dominant.

assistance. Large haulage firms and tobacco manufacturers were among the first to start using this facility.

An instance quoted by the advocates of the radio alarm system is that of an East London driver who, while being attacked by bandits, still managed to send out an alarm call. Another driver, in the same area, attacked in the early hours of the morning, sent out an alarm call, kept on driving and arrived at his depot surrounded by police and workmen.

### Telephone boxes

Damage to telephone boxes throughout the country is one of the problems which commercial vehicle drivers and owners must face. A driver who has to leave his vehicle for an extended period to find a telephone which is working is putting his load at risk. The availability of the radio link has been extended to the Vehicle Observer Corps, so that a network of security cars can join in the search for hijacked vehicles when alerted.

The growing use of containers has helped to reduce the actual thefts from vehicles, but not of the theft of the vehicle itself. According to the police the danger spots are, obviously, all-night stopping places and motorways.

Much has been achieved by the provision of special security with radio equipment, areas where vehicles can be kept under guard. But the driver to call for help is still dominant.

While most drivers are willing to accept responsibility for their load, there are others who will quite willingly park in a side road. It is easy then for the "villains" to keep a check and eventually take the load away, especially if it is one as easily disposable as drink or cigarettes, the two favourite loads for the thieves.

To suggest that each load should have two drivers, and that a vehicle should never be left unattended, would add considerably to the cost.

Design is a factor which must be considered. Every vehicle on the commercial routes cannot be an armoured car. But designers of these vehicles must give consideration to the security of the load in relation to what is being carried.

This means that the driver must be given every facility for ensuring that his vehicle is safe, even for a short period.

### Rest periods

Commercial vehicle operators should be prepared to sponsor car park attendants at the places where drivers must have their rest periods, and at no time should vehicles be allowed to park unattended on suburban roads.

A constant radio link where an expensive load is being carried has much to commend it. Costs, of course, would rise, but insurance companies might well be prepared to consider the benefits which would arise from the reduction in losses.

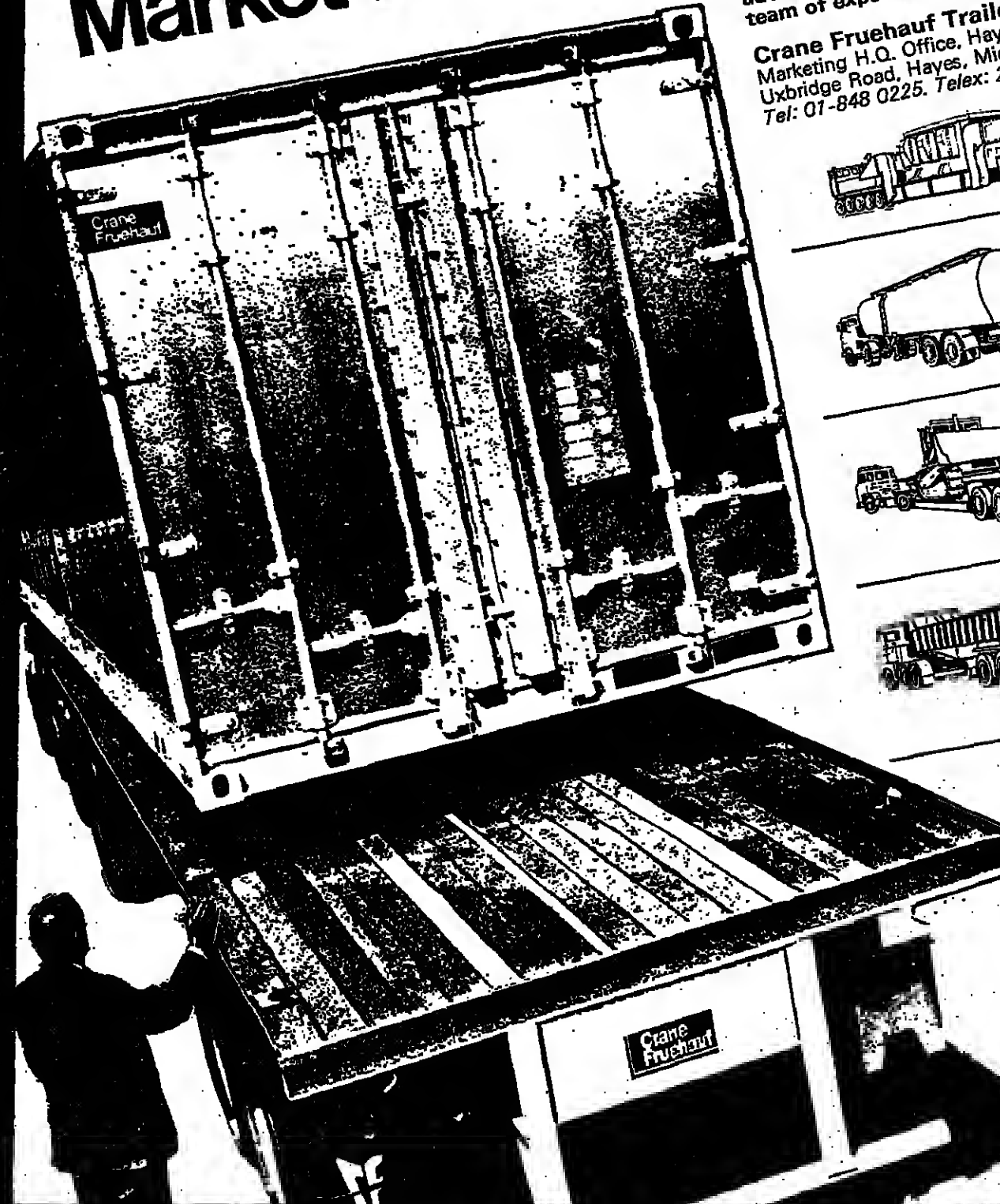
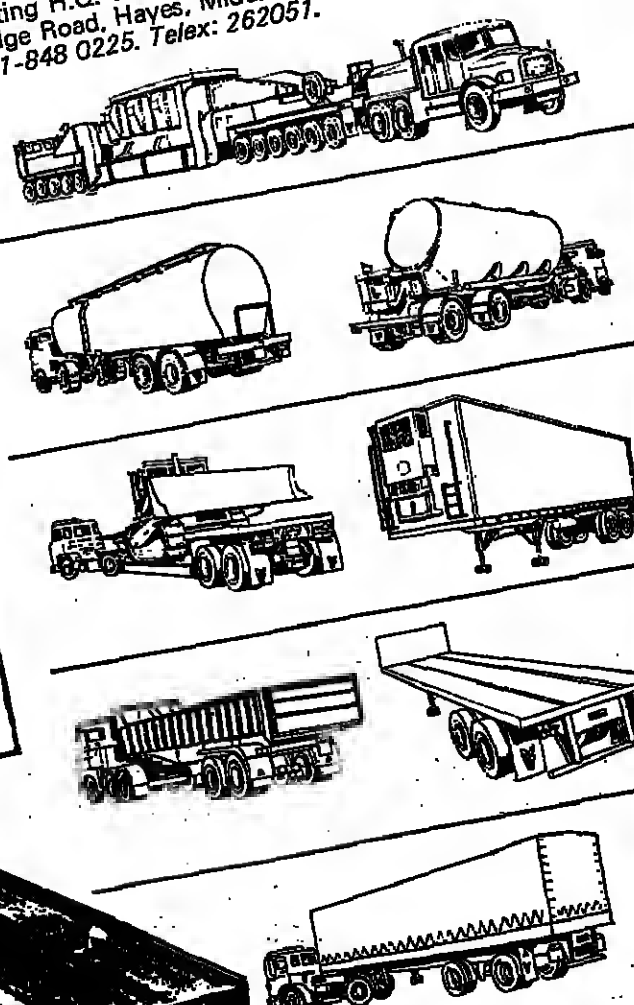
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## ROAD HAULAGE IV

# Designing for many types of operation

By JOHN DICKSON-SIMPSON

Transport cannot avoid frequent political interference. After all, it determines the efficiency of any economy.

Not that efficiency is by any means the only criterion by which political interference with transport is justified. If it were, articulated lorries would long ago have been allowed to gross up to 44 tons and lorries drawing trailers would have been allowed to total 56 tons. Some transport costs could have been cut by up to 20 per cent.

In the event, mistaken impressions that vehicles running at such weights would be bigger and attempt to negotiate other than main roads caused a wave of emotion strong enough to sway political opinion in favour of postponing indefinitely a decision on gross weight (not axle weight) uprating.

Consequently much of the excitement surrounding heavy-vehicle design has faded. Such top-weight lorries would always have been a minor section of the market, however, despite the glamour associated with them by the engineers.

## Never wider

In any case, plenty of other challenges to designers have come storming on the heavy-truck scene in less than a year. Most of these challenges again arise from legislation both approved and imminent, but some come from realisation of changing market requirements. For one thing, the spread of distances covered by lorries has never been wider. At one extreme, the ability of the tractor part of an articulated vehicle to run a sort of relay, exchanging trailers, is being exploited by some operators to get as much as 120,000 miles a year out of tractors. At the other end of the spectrum, the greater incidence of feeder services to rail terminals, pipelines and local distribution is involving some heavy trucks in only 30,000 miles a year.

Once those extremes of operation are recognised by designers they realise that it becomes impossible to satisfy both

requirements with a single design. Hence, for the intensive long-distance operation an expensive long-life vehicle with a high cab is wanted. Yet for the low-mileage work a much cheaper and shorter-life vehicle with a low cab with easy entry is needed.

Ironically enough, it has been the foreign imports which have exemplified these two extremes of operation so far. But now the British are getting to grips with the situation.

In particular, the potential strength of the Seddon-Atkinson grouping is beginning to reveal itself. The Atkinsons—heavy-duty, reliable, long-life machines—are being retained for the intensive operation. For the low-mileage end of the market Seddon is introducing at the Scottish Motor Show a 205 h.p. V8-engined tractor for 32-ton operation at well under £5,000. Moreover, for the middle section of the market Seddon already has established models. So has British Leyland—and this large complex is also beginning to tackle the market extremes by introducing, first, the tall-cab Scammell Crusader tractor. Before long it is expected that the Scottish factory of Leyland will introduce a 32-ton tractor for the less rigorous operation.

Whatever the type of operation, reliability and easy servicing are top priorities. In the past there have been weaknesses on these matters, notwithstanding ideas such as tilting the whole cab forward to lay bare the engine for servicing. Paradoxically, though, it has been the most reliable vehicles which have been the least refined in terms of comfort, cab access, handling and noisiness. Because the competition in road transport is so fierce (especially since licensing by limitation of vehicle numbers has been abolished) lately where there has been a choice between operational economy and refined performance, it has been economy that has won.

Hence the boom in sales of Atkinsons, ERFs and Fodens over the last few years. Hence also the fact that even in the economic recession it has

always been possible to sell vehicles powered by Gardner engines, which uniquely combine reliability with fuel economy.

## Expensive spares

Yet it is not without significance that many heavy-truck users are buying heavy Swedish vehicles combining refinement with reliability—even though the spares are expensive. The point has not escaped the notice of the British makers. The big producers are busy trying to improve their vehicles' reliability. The smaller companies are busy improving their vehicles' handling and comfort. The latest ERF and Scammell designs, with their long springs, are prime current examples.

Powers are going up as well. This is not just because of forthcoming legislation to fix a minimum of 6 h.p. for every ton of gross weight. Most lorries now in production meet such a power requirement already.

More emphasis is being placed on acceleration and hill-climbing performance in a bid to achieve better average speeds now that heavy vehicles have a 60 mph speed limit on motorways as well as a 40 mph limit on other unrestricted roads. Also, the opinions of drivers have considerable influence over vehicle choice and it is easier to be popular with a driver if giving him a vehicle with a spirited performance.

Driver-worship is also part of the general effort being made to make it less deafening sitting alongside a diesel engine. This aspect has had to receive more serious attention since cruising speeds began to increase. It is not long since most heavy vehicles had a top speed of about 45 mph. Now the maximum speeds are in the 55 to 65 mph range. More gears (up to 15, and commonly 10) have helped, but there is no substitute, ultimately, for power. The makers the problems are big,



A York Freightmaster semi-trailer van with a drawbar unit.

ing engines have aggravated the noise problem.

Now impending legislation to quieten lorries has clinched the programme of efforts to chop noise levels. For the engine makers the problems are big,

and lengthy development is inevitable. In the meantime all the vehicle builders can do is block all the little gaps and order the sooner the economic engine with sound-absorbent material—measures which can

be surprisingly effective if done right. The sooner the lorry makers put the environmental house in order the sooner the economic arguments for heavier vehicles can be expected to hold sway.

Even the efforts made to do are to be rewarded by some interim concessions allowing more weight on short vehicles. Up to now the law has demanded vehicles of unwieldy length to qualify for the maximum weights. There is now a real chance of lorries as compact as possible being used. This will make more economic and safer use of road space and will delight operators who have been forced to run vehicles longer than they would ordinarily have liked.

# Progress towards preventing delays in turn-round

By RAY DAFTER

With distribution and warehousing contributing anything up to 40 per cent of the end selling price of an article it is obviously to everyone's benefit—the manufacturer, carrier and consumer—that the transportation chain should run as smoothly as possible. It has, therefore, been a matter of some frustration, indeed the hane of hauliers' lives, that bottlenecks and long delays have occurred at either end of this chain: the factory and the dockside in particular.

In the past few years considerable progress has been

made towards alleviating this problem. The swing away from conventional cargo towards goods carried in containers, on pallets or in bulk, for instance, has affected the situation while port authorities, manufacturing companies and hauliers have also been taking remedial action.

Perhaps the most marked improvements have been in the ports themselves where some of the biggest bottlenecks have occurred.

Hauliers have not been alone in suffering port congestion, however Mr. M. C. Kieft, direc-

tor of the Netherlands Steamship Company, told the International Cargo Handling Co-ordination Association this summer that a recent sounding made of the various experiences on a number of ships belonging to one liner operator trading to ports generally located in developing countries showed that during three months some 3,035 ship hours were lost.

Among the causes of adverse effects he listed were restricted working hours in ports; port workers' and customs officers' working hours not running concurrently; tallying impeding a steady flow of cargo; stripping pallets alongside ship and lack of space in cargo sheds.

Although he was speaking as a shipowner some of these causes are also contributory to the hauliers' problem. To these one might add that many of the conventional berths, because of their age and design, are not conducive to swift vehicle throughput.

But, as already mentioned, the position is improving. Lorry appointment schemes, for example, have been introduced in a number of major U.K. ports including London, Liverpool, Southampton, Bristol and the Clyde.

The schemes are aimed at eliminating the "bottleneck" peaks in traffic, creating an even flow of lorries through a port complex and giving hauliers who have booked in their vehicles priority attention.

The National Ports Council commented: "It is clear that the congestion of lorries delivering cargo to ports has eased as a result of these schemes."

Officers of the NPC's research division had been working in the ports to promote the concept, with particular emphasis being laid on comprehensive information systems based on computers.

## Obvious benefits

In London, where lorry drivers in the past have been known to wait two days for dockside attention, appointment schemes now cover almost all import and export services through the India and Millwall and the Royal groups of docks and some services at Tilbury.

The first experimental scheme was introduced in the Royal Docks in 1967 and the improvement soon became obvious. As a Port of London Authority spokesman commented: "Apart from the obvious benefits of a regular throughput of goods and the virtual elimination of long delays to road haulage vehicles the schemes have also helped to alleviate the problem of lorries being turned away. In the past lorries have been turned away because there was not a hope of them being worked during that day."

In London there are four hooking periods to coincide with the dockers' double shift working: 7-11 a.m.; 11 a.m.-2 p.m.; 2-5 p.m. and 5-9 p.m.

Hauliers make the point, however, that delays do occur at some ports during the transition from one shift to another and that it is difficult to find labour towards the end of the working day.

The appointment schemes referred to above are in the main geared to cargo handled in conventional break bulk form. Containerisation, a new, integrated and highly mechanised form of

cargo handling, has to a large extent developed its own scheduled feeding service either by road or rail. With goods being packed into containers at the factory, inland clearance depot or groupage depot the handling time for transfer of the cargo from lorry to quay and vice versa is kept to a minimum. Similarly containerised roll-on, roll-off has speeded the handling of goods.

## Single unit

But even goods in a less unitised state, such as palletised cargo or packaged timber, greatly reduces the handling time (assuming the right mechanical handling equipment is available).

Port delays are usually caused by too many lorries turning up at the same time. Delays at the other end of the chain, the factory, warehouse or shop for instance, can just as easily be incurred by a single unit.

Lack of proper loading/unloading facilities; handling equipment and available manpower have often been criticised by the road hauliers.

Then there is the growing tendency for shops and factories to specify periods during which they will not accept deliveries, with the result that as little as 3½ days in a week are available.

This can lead to a bunching situation.

The road haulage industry is now increasingly seeking to recover the cost of delays through the imposition of demurrage charges on top of the normal haulage rates based on distance, weight and form of goods.

These penalty charges are supported by the Road Haulage Association which pointed out: "This demurrage cost does not vanish into thin air. Someone has to pay and we feel it should be those who are responsible."

The RHA also welcomed an extension of this charging scheme whereby companies, with factories, shops or warehouses, helping the haulier to provide a quick turn-round should have all or part of the demurrage charge returned in the form of a "bonus."

Such a "bonus" is useful because it provides a simple, rule-of-thumb, guide to the benefits of efficient cargo handling and the quick turn-round of vehicles. With storage and handling contributing to the cost of goods to such a large degree it is obviously an area which, if improved even more, could go some way towards offsetting the effect of increased manufacturing costs.

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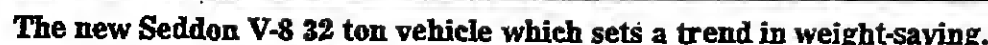
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# New licensing system increases competition

ing the passage through  
ment of the measure  
to become the Transport Act  
to comparatively little atten-  
was paid to what was  
the revolutionary change in the  
lative structure of the road  
s transport industry. The  
essed intention to encour-  
the good operator and drive  
the bad was unexceptional  
the fulfilment was taken  
as a matter of course.  
Perhaps only the hauliers had  
special reason to be ap-  
prove. The system of carriers'  
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shed required the operator  
wished to carry for hire or  
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services were required.  
cars' licensing, which has  
n taken over, lays down  
ent criteria.



## Double danger

There is a double danger to the public when a vehicle which has not had to satisfy an examiner is nevertheless running freely with loads for which it was not designed. It is subject to the much less onerous test given to private cars and its path may be less easy when the testing standard is improved. Hauliers have urged strongly that something more stringent than at present is required, and, that licensing should be extended to the lighter vehicles or at any rate to the man with a fleet of them. The operator who needs a licence, but does not hold one

may turn out to be the most serious menace. The extent of his activities is difficult to gauge since his success lies in evading the law and in not being a visible risk. A reasonably accurate picture may emerge from an exercise which hauliers are carrying out for an associated purpose.

Objections to applications for a licence can be made by a small number of trade associations and trade unions in addition to local authorities and the police. The objection must relate to the unsatisfactory standards or conduct of the applicant. The objecting organisation must normally expect evidence to come from a police officer or a local authority. The Road Haulage Association is collecting by this means complaints about operators in general. An alarmingly large

# Reliability is essential

By J. M. GUTTRIDGE, Freight Transport Association

Service and cost are the key items that users are certain to look for when choosing a haulier. The requirements of the trade and industry under these two headings are many and the degree of priority given to each will vary from user to user.

In many trades the pattern of distribution is changing. Add to this the demands and complexities of the Transport Act 1968 and it is not surprising that the range of services demanded from the haulier has increased in recent

bargaining has in the last couple of years, become much more sophisticated. The haulier is beginning to gain the benefit of a more informed consumer exercise whilst the Freight Transport Association is launching a costs and rates advisory

Reliability is a major requisite, since trade and industry will switch to ensure its goods are delivered to its customers at the time they specify and in first-rate condition. Speed, regularity and freedom from damage are simple illustrations. Transport is an extension of the production line and quality control is equally important and exacting.

### Price increases

Stability of a rate once settled is vital. Most companies, especially those selling to the consumer market, include transport in their recommended prices. Sudden and unforeseen rates increases can lead to product price increases with all that that entails.

To mitigate such effects and achieve maximum economy, some large users are trying to introduce methods whereby a hauler is guaranteed traffic for a period of years. This would give the hauler time to plan for return loads which would provide the opportunity for the user to receive a compensatory lower initial rate for his commitment.

One of the perils of modern day transport is its attraction to the criminal world. Users, especially where high valued goods are involved, will want to be assured that the haulier is meticulous in engaging staff and takes all reasonable steps to ensure the safety of the goods in trust to him.

Similarly, he will expect the haulier to handle his goods with care, for damage in transit can be costly in time and goodwill. Most reputable hauliers are likely to be offering Conditions of Carriage modelled on those of the State undertakings or

Users, however, will be looking for a flexible attitude in their application so that where necessary, they can negotiate special terms to cover specific needs.

Good communications between a haulier and his customer are, of course, essential and the user will want to be certain that key contacts are reasonably accessible to ensure maximum co-ordination.

The present climate of a liberal national transport policy presents an ideal opportunity for the trader and the builder to use their ingenuity and commercial acumen to provide new and improved services at reasonable cost.

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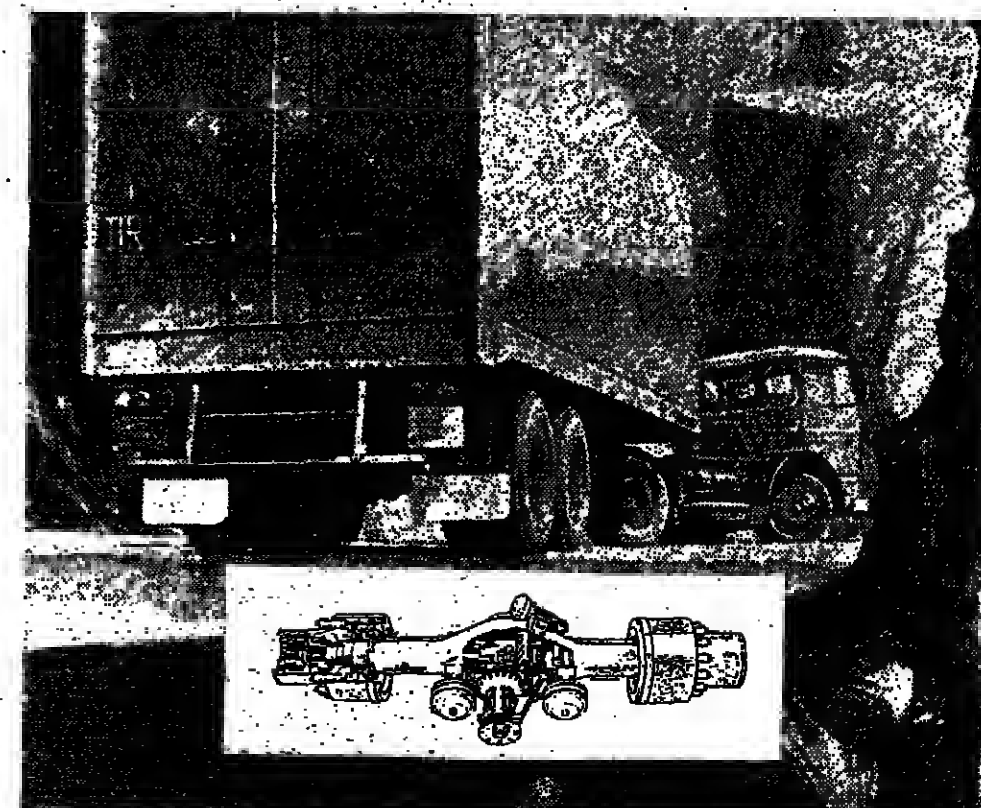
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Stock Exchange  
Trading e  
index

NEW YORK, Nov. 3.

Bank Rate 5% (Sept. 2, 1971)  
Credit was in short supply in the Discount market yesterday, and the authorities gave a large amount of assistance by buying Treasury bills from the houses. An excess of revenue payments over Exchequer disbursements was against the market, favouring the banks. The Treasury bill take-up and run down balances at the banks.  
A rate of 4½ per cent. was paid for day-to-day loans in the morning and with little fresh money available funds at the close were at 4½ per cent. to 4¾ per cent.  
In the inter-bank market overnight loans opened at 4½-4¾ per cent. and fell to 4½ per cent. one point before finishing at 4½ per cent.

Nov. 5	Starting certificates of deposits	Inter-bank	Local Authority deposits <sup>a</sup>	Local Authority negotiable bonds	Finance house deposits	Inter-com payee loans	Discount market deposits	Treasury bills %	Bank bills %	Finance bills %
Overnight	—	4½-5½	4-4½	—	—	4½-5	4½-4¾	—	—	—
30-day notice	—	—	4½-4¾	—	—	5-5½	—	—	—	—
7-days notice	—	4½-4¾	4½-4¾	—	4½-5	5½-5¾	4½-4¾	—	—	—
One month	5-4½	4½-4¾	4½-5	5-5½	5-5½	5-5½	4½-4¾	—	—	—
Two months	5-4½	4½-5	4½-5	5-5½	5-5½	5-5½	4½-4¾	—	—	—
Three months	5-4½	4½-5	4½-5	5-5½	5-5½	5-5½	4½-4¾	—	—	—
Six months	5½-5	5-5½	5½-5¾	5½-5¾	5½-5¾	5½-5¾	5-5½	—	—	—
Nine months	5½-5¾	5½-5¾	5½-5¾	5½-5¾	5½-5¾	5½-5¾	5-5½	—	—	—
One year	5½-5¾	5½-5¾	5½-5¾	5½-5¾	5½-5¾	5½-5¾	5-5½	—	—	—
Two years	—	5½-5¾	5½-5¾	5½-5¾	5½-5¾	5½-5¾	5-5½	—	—	—

<sup>a</sup> Local authorities and finance houses saved-day notice, other seven-days fixed. — Nominal longer-term mortgage loans for three-years 7½-8½ per cent., four-years 7½-8½ per cent., and five-years 7½-8½ per cent. — Rental rates in table are buying rates for prime paper. Buying rates for 4-month bank bills 4½ per cent., and for 4-month trade bills 5½ per cent. — Accounting rates for 3-month bank bills 4½ per cent., and for 3-month trade bills 5½ per cent., and for 3-month 3½-4½ per cent. — One month bank bills eligible for re-discount at the Bank of England were quoted for sale in places at 4½ per cent. — Accounting rate to three-month trade bills at 5 per cent.

Finance House Association) 5½ per cent. from Nov. 1. Clearing banks' discount rate (for small sums at 7-days notice) 3-3 per cent., and Base Rate for lending 4½-5 per cent.

Co-operative Bank Deposits: 7-day 5 per cent., 1-month 5½ per cent., base rate 5 per cent.

## FOREIGN EXCHANGES

		Marked Rates	
Bank	Rate	Day's Spread	Close
Sterling was almost unchanged against the dollar in London yesterday's dealings, closing at \$2.4629-\$2.4931, compared with \$2.4928-\$2.4930 on Tuesday. Very little movement was seen on the day and the highest rate quoted during the afternoon was \$2.4934-\$2.4936. Euro-dollar rates tended to be more wanted for short periods, but the London sterling was generally firmer, with the 3-month at 0.05 cents premium, 6-month at 0.02 cents premium, and 12-month at 0.01 cents discount. The dollar closed stronger against most major currencies and French commercial francs finished at Frs.557, \$42.20 (\$18.974) an ounce in London in the morning. The afternoon fixing was at the same level in terms of dollars but the sterling equivalent was \$2.0061 higher. The turnover was moderate and the closing quotation was \$42.15-\$42.35, for a net loss of 10 cents. Among gold coins new and old sovereigns were both 24 cents lower at \$10.72-10.82 and \$2.72-2.82, respectively. The double Eagle lost $\frac{1}{4}$ at \$65.66 and this 20-mark piece $\frac{1}{2}$ at \$244.25. In Zurich gold ended at cents lower at \$23.50-\$23.55. In Paris the 123-kilogramme gold bar was fixed at Frs.7,420 a kilogramme (\$42.50 an ounce down 17 cents from \$49.67). The gold market rate since the last Bourse meeting on Friday at noon.			
Nov. 5			
New York	5	2.49-2.52	2.49-2.52
London	44	2.49-2.52	2.49-2.52
Paris	100	2.49-2.52	2.49-2.52
Zurich	100	116.75-117.00	116.75-117.00
Geneva	100	11.11-11.16	11.11-11.16
Basle	100	11.11-11.16	11.11-11.16
Vienna	100	11.11-11.16	11.11-11.16
Madrid	100	170.88-171.10	170.88-171.10
Oslo	100	17.88-17.91	17.88-17.91
Stockholm	100	15.75-15.82	15.75-15.82
Copenhagen	100	11.11-11.16	11.11-11.16
Lyons	100	11.11-11.16	11.11-11.16
Zurich	50	2.49-2.52	2.49-2.52

**EXCHANGE CROSS-RATES**

	Nov. 5	Frankfurt	New York	Paris (cc)	Berlin	London	Amsterdam	Zurich	Stockholm
			3,255.76						
			80.24	17.11	12,330.15	98.63	83.68		
			100.00	100.00	100.00	100.00	100.00		
			159.10	11.95	1,732.75	95.21	136.68		
			32.95	46.97	840.14	135.95	141.0		
			100.34	3.54	115.75	90.46	121.91		
			119.65	3.20	72.06	9.74	9.94		

**EURO-CURRENCY INTEREST RATES**

EURO-CURRENCY INTEREST RATES							
Nov. 5	Sterling	U.S. dollar	Canadian dollar	Italian guildre	W. German mark	Swiss franc	
1-month	4 7/8-5 1/8	4 1/4-4 3/4	5-5 1/4	4-5	5-5 1/4	5-5 1/4	
3-month	4 7/8-5 1/8	4 1/4-4 3/4	5-5 1/4	4-5	5-5 1/4	5-5 1/4	
6-month	4 7/8-5 1/8	4 1/4-4 3/4	5-5 1/4	4-5	5-5 1/4	5-5 1/4	
9-month	4 7/8-5 1/8	4 1/4-4 3/4	5-5 1/4	4-5	5-5 1/4	5-5 1/4	
12-month	4 7/8-5 1/8	4 1/4-4 3/4	5-5 1/4	4-5	5-5 1/4	5-5 1/4	
18-month	4 7/8-5 1/8	4 1/4-4 3/4	5-5 1/4	4-5	5-5 1/4	5-5 1/4	
24-month	4 7/8-5 1/8	4 1/4-4 3/4	5-5 1/4	4-5	5-5 1/4	5-5 1/4	
36-month	4 7/8-5 1/8	4 1/4-4 3/4	5-5 1/4	4-5	5-5 1/4	5-5 1/4	
48-month	4 7/8-5 1/8	4 1/4-4 3/4	5-5 1/4	4-5	5-5 1/4	5-5 1/4	
60-month	4 7/8-5 1/8	4 1/4-4 3/4	5-5 1/4	4-5	5-5 1/4	5-5 1/4	
72-month	4 7/8-5 1/8	4 1/4-4 3/4	5-5 1/4	4-5	5-5 1/4	5-5 1/4	
84-month	4 7/8-5 1/8	4 1/4-4 3/4	5-5 1/4	4-5	5-5 1/4	5-5 1/4	
96-month	4 7/8-5 1/8	4 1/4-4 3/4	5-5 1/4	4-5	5-5 1/4	5-5 1/4	
108-month	4 7/8-5 1/8	4 1/4-4 3/4	5-5 1/4	4-5	5-5 1/4	5-5 1/4	
120-month	4 7/8-5 1/8	4 1/4-4 3/4	5-5 1/4	4-5	5-5 1/4	5-5 1/4	

Longer-term Eurodollar deposit rates were quoted nominally 63.75 per cent, three months 7.25 per cent, four months 7.25 per cent.

<p>Long-term Eurodollar deposit rates were quoted nominally as follows: two-year 64-64 1/2 per cent., three years 7-7 1/2 per cent., four-years 7-7 1/2 per cent., and five-years 7-7 1/2 per cent.</p> <p>Short-term London nominal rates were quoted for London dollar certificates of deposit: one-month 5-4 1/2 per cent., three-months 6 1/2-5 1/2 per cent., six-months 8 1/2-6 1/2 per cent., one-year 6-4 1/2 per cent.</p> <p>O/Rates are in some cases nominal.</p> <p>Short-term rates are called for Sterling, U.S. dollars and Canadian dollars, and two-days' notice for Guilders, Marks and Swiss francs.</p>	<p>Oppenhe- per-6 mos 10 1/2-10 1/2 per cent.</p> <p>Franklin 10 c per 1-yr 10 1/2-10 1/2 per cent.</p> <p>London 10 c per 1-yr 10 1/2-10 1/2 per cent.</p> <p>Miban 1 1/2 pm 2-10 1/2-10 1/2 per cent.</p> <p>Calo 4 c per one 10 1/2-10 1/2 per cent.</p> <p>London 10 c per 1-yr 10 1/2-10 1/2 per cent.</p> <p>Stocks 1 1/2 pm 10 1/2-10 1/2 per cent.</p> <p>Vienno 10 c per 1-yr 10 1/2-10 1/2 per cent.</p> <p>Swiss 10 c per 1-yr 10 1/2-10 1/2 per cent.</p>
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**AUSTRALIA**

[illegible]

Tokyo Marine  
Tokyo Electric

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## F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of The Financial Times, The Institute of Actuaries and the Faculty of Actuaries in Edinburgh

EQUITY GROUPS GROUPS & SUB-SECTIONS	Wednesday, Nov. 3, 1971		Tuesday, Nov. 2, 1971		Monday, Nov. 1, 1971		Friday, Oct. 29, 1971		Thursday, Oct. 28, 1971		Year to date (approx.)		Highs and Lows Index	
	Index	Change	Index	Change	Index	Change	Index	Change	Index	Change	Index	Change	High	Low
<b>CAPITAL GOODS GROUP (184)</b>	158.08	+1.5	156.84	+1.5	155.84	+1.5	154.41	+1.5	153.00	+1.5	151.50	+1.5	158.08	151.50
Aircraft and Components (3)	130.87	+2.0	129.87	+2.0	128.87	+2.0	127.87	+2.0	126.87	+2.0	125.87	+2.0	130.87	125.87
Building Materials (23)	162.49	+1.4	161.49	+1.4	160.49	+1.4	159.49	+1.4	158.49	+1.4	157.49	+1.4	162.49	157.49
Contracting and Construction (20)	203.61	+3.6	202.61	+3.6	201.61	+3.6	200.61	+3.6	199.61	+3.6	198.61	+3.6	203.61	198.61
Electric (excl. Rad. & TV) (13)	266.04	+1.6	265.04	+1.6	264.04	+1.6	263.04	+1.6	262.04	+1.6	261.04	+1.6	266.04	261.04
Engineering (79)	136.16	+1.0	135.16	+1.0	134.16	+1.0	133.16	+1.0	132.16	+1.0	131.16	+1.0	136.16	131.16
Machine Tools (15)	63.37	+2.0	62.37	+2.0	61.37	+2.0	60.37	+2.0	59.37	+2.0	58.37	+2.0	63.37	58.37
Miscellaneous (25)	132.16	+1.2	131.16	+1.2	130.16	+1.2	129.16	+1.2	128.16	+1.2	127.16	+1.2	132.16	127.16
<b>CONSUMER GOODS (DURABLE) GROUP (57)</b>	175.85	+2.0	174.85	+2.0	173.85	+2.0	172.85	+2.0	171.85	+2.0	170.85	+2.0	175.85	170.85
Electronics, Radio and TV (14)	179.12	+1.5	178.12	+1.5	177.12	+1.5	176.12	+1.5	175.12	+1.5	174.12	+1.5	179.12	174.12
Household Goods (15)	206.21	+2.4	205.21	+2.4	204.21	+2.4	203.21	+2.4	202.21	+2.4	201.21	+2.4	206.21	201.21
Motors and Distributors (28)	123.32	+2.5	122.32	+2.5	121.32	+2.5	120.32	+2.5	119.32	+2.5	118.32	+2.5	123.32	118.32
<b>CONSUMER GOODS (NON-DURABLE) GROUP (174)</b>	158.71	+1.7	157.71	+1.7	156.71	+1.7	155.71	+1.7	154.71	+1.7	153.71	+1.7	158.71	153.71
Breweries (21)	178.03	+1.2	177.03	+1.2	176.03	+1.2	175.03	+1.2	174.03	+1.2	173.03	+1.2	178.03	173.03
Wines and Spirits (7)	168.03	+2.4	167.03	+2.4	166.03	+2.4	165.03	+2.4	164.03	+2.4	163.03	+2.4	168.03	163.03
Entertainment and Catering (15)	224.82	+2.5	223.82	+2.5	222.82	+2.5	221.82	+2.5	220.82	+2.5	219.82	+2.5	224.82	219.82
Food Manufacturing (24)	139.34	+0.9	138.34	+0.9	137.34	+0.9	136.34	+0.9	135.34	+0.9	134.34	+0.9	139.34	134.34
Food Retailing (17)	150.09	+1.8	149.09	+1.8	148.09	+1.8	147.09	+1.8	146.09	+1.8	145.09	+1.8	150.09	145.09
Newspapers and Publishing (15)	161.08	+0.5	160.08	+0.5	159.08	+0.5	158.08	+0.5	157.08	+0.5	156.08	+0.5	161.08	156.08
Packaging and Paper (16)	109.77	+1.0	108.77	+1.0	107.77	+1.0	106.77	+1.0	105.77	+1.0	104.77	+1.0	109.77	104.77
Stores (29)	152.73	+2.0	151.73	+2.0	150.73	+2.0	149.73	+2.0	148.73	+2.0	147.73	+2.0	152.73	147.73
Textiles (21)	164.93	+1.4	163.93	+1.4	162.93	+1.4	161.93	+1.4	160.93	+1.4	159.93	+1.4	164.93	159.93
Tobacco (3)	216.43	+2.0	215.43	+2.0	214.43	+2.0	213.43	+2.0	212.43	+2.0	211.43	+2.0	216.43	211.43
Toys and Games (6)	51.86	+1.5	50.86	+1.5	49.86	+1.5	48.86	+1.5	47.86	+1.5	46.86	+1.5	51.86	46.86
<b>OTHER GROUPS</b>														
Chemicals (19)	176.90	+3.1	175.90	+3.1	174.90	+3.1	173.90	+3.1	172.90	+3.1	171.90	+3.1	176.90	171.90
Office Equipment (10)	170.84	+0.9	169.84	+0.9	168.84	+0.9	167.84	+0.9	166.84	+0.9	165.84	+0.9	170.84	165.84
Shipping (10)	211.95	+0.5	210.95	+0.5	209.95	+0.5	208.95	+0.5	207.95	+0.5	206.95	+0.5	211.95	206.95
Miscellaneous (unclassified) (44)	191.81	+0.9	190.81	+0.9	189.81	+0.9	188.81	+0.9	187.81	+0.9	186.81	+0.9	191.81	186.81

<b>INDUSTRIAL GROUP (498 SHARES)</b>	164.94	+1.7	163.94	+1.7	162.94	+1.7	161.94	+1.7	160.94	+1.7	159.94	+1.7	164.94	159.94
<b>OIL (2)</b>	516.35	+5.4	515.35	+5.4	514.35	+5.4	513.35	+5.4	512.35	+5.4	511.35	+5.4	516.35	511.35

<b>500 SHARE INDEX</b>	177.86	+2.0	176.86	+2.0	175.86	+2.0	174.86	+2.0	173.86	+2.0	172.86	+2.0	177.86	172.86
<b>FINANCIAL GROUP (121)</b>	166.56	+2.3	165.56	+2.3	164.56	+2.3	163.56	+2.3	162.56	+2.3	161.56	+2.3	166.56	161.56
Banks (6)	169.49	+2.8	168.49	+2.8	167.49	+2.8	166.49	+2.8	165.49	+2.8	164.49	+2.8	169.49	164.49
Discount Houses (6)	182.30	+1.7	181.30	+1.7	180.30	+1.7	179.30	+1.7	178.30	+1.7	177.30	+1.7	182.30	177.30
Hire Purchase (6)	274.41	+0.9	273.41	+0.9	272.41	+0.9	271.41	+0.9	270.41	+0.9	269.41	+0.9	274.41	269.41
Insurance (Life) (9)	148.02	+2.8	147.02	+2.8	146.02	+2.8	145.02	+2.8	144.02	+2.8	143.02	+2.8	148.02	143.02
Insurance (Composite) (9)	131.28	+4.2	130.28	+4.2	129.28	+4.2	128.28	+4.2	127.28	+4.2	126.28	+4.2	131.28	126.28
Insurance (Brokers) (11)	171.54	+1.4	170.54	+1.4	169.54	+1.4	168.54	+1.4	167.54	+1.4	166.54	+1.4	171.54	166.54
Investment Trusts (20)	179.00	+1.6	178.00	+1.6	177.00	+1.6	176.00	+1.6	175.00	+1.6	174.00	+1.6	179.00	174.00
Merchant Banks, Issuing Houses (14)	168.13	+1.0	167.13	+1.0	166.13	+1.0	165.13	+1.0	164.13	+1.0	163.13	+1.0	168.13	163.13
Property (31)	219.31	+1.9	218.31	+1.9	217.31	+1.9	216.31	+1.9	215.31	+1.9	214.31	+1.9	219.31	214.31
Miscellaneous (9)	186.09	+1.4	185.09	+1.4	184.09	+1.4	183.09	+1.4	182.09	+1.4	181.09	+1.4	186.09	181.09

<b>ALL-SHARE INDEX (631 SHARES)</b>	174.98	+2.1	173.98	+2.1	172.98	+2.1	171.98	+2.1	170.98	+2.1	169.98	+2.1	174.98	169.98
<b>COMMODITY SHARE GROUPS</b> (Not included in the 500 or All-Share indices)														
Rubbers (10)	245.48	+0.3	244.48	+0.3	243.48	+0.3	242.48	+0.3	241.48	+0.3	240.48	+0.3	245.48	240.48
Teas (10)	100.44	+1.3	99.44	+1.3	98.44	+1.3	97.44	+1.3	96.44	+1.3	95.44	+1.3	100.44	95.44
Coppers (4)	229.33	+3.3	228.33	+3.3	227.33	+3.3	226.33	+3.3	225.33	+3.3	224.33	+3.3	229.33	224.33
Mining Finance (11)	71.43	+0.7	70.43	+0.7	69.43	+0.7	68.43	+0.7	67.43	+0.7	66.43	+0.7	71.43	66.43
Tins (8)	70.52	+1.0	69.52	+1.0	68.52	+1.0	67.52	+1.0	66.52	+1.0	65.52	+1.0	70.52	65.52

<b>FIXED INTEREST</b>														
Consols 2½% yield	8.68	8.75	8.75	8.71	8.17	8.66	8.58	8.64	8.64	8.64	8.64	8.64	8.64	8.64
20-yr. Govt. Stocks (8)	86.77	17.49	86.01	85.03	85.48	85.95	85.99	86.99	71.91	86.37	70.90	115.42	86.43	86.43
20-yr. Red. Debentures & Loans (15)	78.19	27.87	78.19	78.53	78.53	78.53	78.53	78.53	71.91	78.19	70.90	115.42	78.53	78.53
Investment Trusts Pref. (15)	78.64	8.41	78.64	78.93	78.93	78.93	78.93	78.93	88.11	78.64	70.90	115.42	78.93	78.93
Commercial and Indust. Pref. (30)	85.33	8.04	85.33	85.48	85.48	85.48	85.48	85.48	73.78	85.33	70.90	115.42	85.48	85.48

<b>Industrial Group</b>	31/12/70	123.20
<b>Miscellaneous Financial</b>	31/12/70	123.06
<b>All Other</b>	31/12/70	100.00
<b>Redemption yield</b>		
F.T. Actuaries indices are calculated by F.T. Communications Limited (a member of the Exchange Telegraph Group) on an IBM 360 computer.		
<b>CONSTITUENT CHANGE: Henry (A. &amp; S.) (Stores)</b>		
has been replaced by Standard Tyre (Motors and Distributors).		

## LEADERS AND LAGGARDS

Following table shows the percentage changes\* which have taken place since December 31, 1970, in the principal equity sections of the F.T. Actuaries Share Indices. It also includes the F.T. Gold Mines Index.

Change %	Change %	Change %	Change %
Capital Goods	+63.32	Aircraft and Components	+37.77
Consumer Goods	+54.87	Property	+26.27
Contracting and Construction	+46.90	Stores	+35.59
Electric (excl. Rad. & TV)	+47.96	Discount Houses	+35.55
Engineering	+46.90	Financial Group	+35.48
Machine Tools	+44.04	Motors & Distributors	+34.76
Miscellaneous	+44.15	Food Manufacturing	+32.27
Insurance (Life)	+42.13	Breweries	+30.97
Insurance (Composite)	+39.35	Consumer Goods (Durable)	+30.50
Insurance (Brokers)	+39.13	Capital Goods Group	+29.15
Investment Trusts	+39.13	Electronics (Excl. Rad. & TV)	+29.15
Commercial and Indust. Pref.	+39.13	Consumer Goods (Non-Durable)	+26.78

<p>an. (10.00) 12300 70 1600          17 12 21 20 15 25          4 Esolm. (10.00) 3500 60 1000          4 Gold (10.00) 520 40          4 Gold (10</p>
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India and Pakistan (cont.)

Stock	High	Low	Open	Close	Change	Volume	Stock	High	Low	Open	Close	Change	Volume
100	100	100	100	100	0	100	100	100	100	100	100	0	100
101	101	101	101	101	0	101	101	101	101	101	101	0	101
102	102	102	102	102	0	102	102	102	102	102	102	0	102
103	103	103	103	103	0	103	103	103	103	103	103	0	103
104	104	104	104	104	0	104	104	104	104	104	104	0	104
105	105	105	105	105	0	105	105	105	105	105	105	0	105
106	106	106	106	106	0	106	106	106	106	106	106	0	106
107	107	107	107	107	0	107	107	107	107	107	107	0	107
108	108	108	108	108	0	108	108	108	108	108	108	0	108
109	109	109	109	109	0	109	109	109	109	109	109	0	109
110	110	110	110	110	0	110	110	110	110	110	110	0	110
111	111	111	111	111	0	111	111	111	111	111	111	0	111
112	112	112	112	112	0	112	112	112	112	112	112	0	112
113	113	113	113	113	0	113	113	113	113	113	113	0	113
114	114	114	114	114	0	114	114	114	114	114	114	0	114
115	115	115	115	115	0	115	115	115	115	115	115	0	115
116	116	116	116	116	0	116	116	116	116	116	116	0	116
117	117	117	117	117	0	117	117	117	117	117	117	0	117
118	118	118	118	118	0	118	118	118	118	118	118	0	118
119	119	119	119	119	0	119	119	119	119	119	119	0	119
120	120	120	120	120	0	120	120	120	120	120	120	0	120
121	121	121	121	121	0	121	121	121	121	121	121	0	121
122	122	122	122	122	0	122	122	122	122	122	122	0	122
123	123	123	123	123	0	123	123	123	123	123	123	0	123
124	124	124	124	124	0	124	124	124	124	124	124	0	124
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126	126	126	126	126	0	126	126	126	126	126	126	0	126
127	127	127	127	127	0	127	127	127	127	127	127	0	127
128	128	128	128	128	0	128	128	128	128	128	128	0	128
129	129	129	129	129	0	129	129	129	129	129	129	0	129
130	130	130	130	130	0	130	130	130	130	130	130	0	130
131	131	131	131	131	0	131	131	131	131	131	131	0	131
132	132	132	132	132	0	132	132	132	132	132	132	0	132
133	133	133	133	133	0	133	133	133	133	133	133	0	133
134	134	134	134	134	0	134	134	134	134	134	134	0	134
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136	136	136	136	136	0	136	136	136	136	136	136	0	136
137	137	137	137	137	0	137	137	137	137	137	137	0	137
138	138	138	138	138	0	138	138	138	138	138	138	0	138
139	139	139	139	139	0	139	139	139	139	139	139	0	139
140	140	140	140	140	0	140	140	140	140	140	140	0	140
141	141	141	141	141	0	141	141	141	141	141	141	0	141
142	142	142	142	142	0	142	142	142	142	142	142	0	142
143	143	143	143	143	0	143	143	143	143	143	143	0	143
144	144	144	144	144	0	144	144	144	144	144	144	0	144
145	145	145	145	145	0	145	145	145	145	145	145	0	145
146	146	146	146	146	0	146	146	146	146	146	146	0	146
147	147	147	147	147	0	147	147	147	147	147	147	0	147
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149	149	149	149	149	0	149	149	149	149	149	149	0	149
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157	157	157	157	157	0	157	157	157	157	157	157	0	157
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172	172	172	172	172	0	172	172	172	172	172	172	0	172
173	173	173	173	173	0	173	173	173	173	173	173	0	173
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175	175	175	175	175	0	175	175	175	175	175	175	0	175
176	176	176	176	176	0	176	176	176	176	176	176	0	176
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191	191	191	191	191	0	191	191	191	191	191	191	0	191
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193	193	193	193	193	0	193	193	193	193	193	193	0	193
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198	198	198	198	198	0	198	198	198	198	198	198	0	198
199	199	199	199	199	0	199	199	199	199	199	199	0	199
200	200	200	200	200	0	200	200	200	200	200	200	0	200
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205	205	205	205	205	0	205	205	205	205	205	205	0	205
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## BRIMS

Building & Civil Engineering  
Contractors

NEWCASTLE UPON TYNE

TEESSIDE

NOTTINGHAM

SOUTHAMPTON

A member of the Swan Hunter Group

## Lombard

Orderly  
marketing  
to avert  
trade war

BY C. GORDON TETHER

WHEN the Imperialist Powers discovered in the later nineteenth century that the land available for further expansion of their empires was beginning to become so limited that competition for it was apt to bring them into constant conflict with one another, there were suggestions that the sensible thing to do would be to share out what was left on an amicable basis.

Japan's recent decision to invite European countries to subscribe to the "orderly marketing concept" by business leaders have evolved suggestions that the Affluent World's export-empire building obsession is now entering a similar phase. This being so, it has a significance far greater than seems to have been generally recognised in Europe—where it appears to have been mostly seen as an attempt by the Japanese to assure themselves of reasonable access to new European markets to replace lost American business by promising to behave in gentlemanly fashion there.

## Saturation

International trade has expanded at a much faster pace than world economic activity in the round during the past ten to twenty years. But, it always seemed certain that it would become more and more difficult to keep up this performance as the demand for consumer goods in the advanced countries moved towards saturation point. And the presumption was that the fight for markets by industrial systems that had almost all been geared to treat the maximisation of their sales abroad as first priority would then become much more bitter.

The fact that the latest U.S. growth phase failed to produce an expansion in internal demand large enough to prevent increased foreign penetration of the home market generating major embarrasements for home producers can be seen as an indication that we may now be coming up to that point. So can the deep concern which the Nixon Administration's decision to rush to the defence of the home side with an import surcharge and devaluation of the dollar has sparked off elsewhere.

## Japan's worry

It is understandable that the Japanese should have been quick off the mark in putting forward the idea that a concerted effort should now be made to prevent competition for export outlets producing an all-out war during the next phase of world trade growth. For one thing, they have already gained a certain amount of experience with the "orderly marketing" method of keeping on good terms with their trading partners. For another, the American measures will have a particularly marked impact on their exports.

Then again, the Japanese population has not moved at the speed that might have been hoped to turn the country's spectacular economic progress to account for raising its living standards. So a fast growth momentum can only be maintained, while waiting for it to catch on, by continuing to put a big emphasis on exports.

Above all, the "orderly approach" to their economic problems has served the Japanese so well at home that it is not unnatural that they should think in terms of trying to get the rest of the world to take an interest in it as means of warding off an international trade war that could have damaging effects all-round.

## Free trade

The idea that countries should reach understandings not to tread on one another's toes is manifestly foreign to industrial communities like our own that have been encouraged to believe that the greatest good lies in engaging in the freest competition with no holds barred that they will want to examine it carefully. And so, indeed, they should do. After all, it is arguable that, even when operated with the best intentions, such arrangements are capable of working against the public interest, while the possibility that the intentions will not always be worthy has also to be taken into account.

On the other hand, if there is one thing that emerges clearly from the recent turn in world economic affairs, it is that the classical free trade argument that every country should produce only what it can produce most efficiently has only a limited acceptance for practical purposes in the world of today. If a certain amount of protectionism has to be accommodated, as it seems to be, the sensible thing to do is to consider all possible ways of limiting its more harmful effects. Japan's "orderly marketing concept" idea is clearly one with obvious appeal.

## THE LEX COLUMN

## Batteries, buoyancy and bids

So Chloride left itself a little leeway, both when it estimated first-half profits at around £3.6m. pre-tax and in its forecast of a rise of more than 50 per cent for the year. The half-time figure is now reported at £3.78m. and the year's target is £8m., 64 per cent up on 1970-71. That takes prospective earnings up to 10.5p a share, fully diluted, and the p/e down to 14.4 at 152p, up another 7p yesterday.

Chloride has also set a considerable target for Oldham, considering that last month's agreed merger terms were arrived at after taking estimated 1971-72 profits for both into account. If that really means what it says, and given that Oldham adds 14.4 per cent to the ultimate Chloride equity, group could make in a full Oldham needs to earn around £685,000 against £364,000 in 1970-71 (net attributable after preference dividends) to avoid dilution for the hidden. One must wonder whether that sort of performance would not be even more valuable to Carlton Industries which has 25

per cent of Oldham already, and all the currency it needs in an historic fully diluted p/e of 22 at 112p—not to mention the cash generated by selling Sanitas and Rimmel over the past 18 months. The market, however, seems unimpressed with this argument; Oldham closed at 47 1/2 last night, 5p below the Chloride offer.

## Chrysler U.K.

The loss of £5.2m. in the first six months from Chrysler has given way to a profit of £2.3m. in the half year to July, so that the turnaround for the 12 months amounts to £10.7m. after last year's £13.3m. loss. The relevance of the second half profit rate is that it should give some indication of what the ultimate Chloride equity, group could make in a full Oldham needs to earn around £685,000 against £364,000 in 1970-71 (net attributable after preference dividends) to avoid dilution for the hidden. One must wonder whether that sort of performance would not be even more valuable to Carlton Industries which has 25

strike, but not of the post-July boom. Since the six months to January are seasonally the less profitable, the apparent conclusion is that Chrysler U.K. is not, in its present form, capable of making more than £3m. pre-tax, which is not much for £29m. of Preferred and Ordinary capital. But that is merely a measure of the management challenge. The message, if any, for British Leyland should lie in Chrysler's second half turnaround (£5.6m. ex accounting changes) as a percentage of the sales gain of £31m. The same margin for B.L.E. would give it a surplus of £35m. on a 30 per cent second half sales increase—before the launching costs of the Marina.

## Thos. W. Ward

Last year marked the breakthrough for Thos. W. Ward from its stagnant earnings record through the 1960's, and the accounts give a cosy feeling about 1971-72 as well. Growth in cement—last year's power-house taking the construction contribution up to 35 per cent

of profits—may be held back by less favourable fuel contracts, but there is plenty of demand for aggregates. Iron and steel has performed steadily so far this year: with scrap availability easing as the initial rush for export materials fizzles out, this profits source (29 per cent last time) looks safe enough. A second half bounce in engineering represented more than just a strike-free period, and falling development costs and reasonable demand make this the current year's main growth hope.

Weather permitting, then, something like 34p per share may be a reasonably sound earnings bet for 1971-72, not from 29p. But the recent share price strength may have owed as much to a clearer understanding of Ward as a group as to immediate earnings potential. This applies especially to engineering, previously dismissed—with reason—as a higgledy-piggledy collection of companies, often too small to have any worthwhile potential but taking up well over a third of capital employed. A reshaping process has left three main product areas, two of which—wire-drawing machinery and railway siding equipment—have dominant home market shares. The former may have made roughly £200,000 last time, and the opening up of the steel tyre cord market could, according to some estimates, treble sales in the next four years. Against this sort of background, a prospective p/e of under 11 at 353p. has further re-rating possibilities.

Readicut The quality of Readicut's first-half performance, with profits up from £854,000 to £1,055m. pre-tax, lies in the fact that the first six months of last year were boosted by a new mail order policy for its rug kits. This time, there was a hangover from the postal strike and it took a turnaround from red to black in the 23 shops Readicut still has—down from 32 at one stage—to produce a small improvement in the retail side of the business. The main boost, obviously, came from the Firth

acquisition beginning to pay its way—domestic carpets, benefiting from the consumer boom plus cost-control and—carpets getting the volume, and continuity of throughput that means everything to this sort of business.

The question now is why forecasts of £3m. against £3.5m. for the year were floating around yesterday. Given that the postal and Ford strikes might have cost Readicut £400,000 in the second half of last year, in theory it should be able to make £3m. for 1971-72 with no organic growth in the second six months. The answer seems to be caution, inspired by a number of possibilities: direct mail order relies on newspaper advertising, and there were the newspaper stoppages at the end of September; there is some apprehension that costs may catch up with the carpets division in the New Year and the car carpet side does have its customers' labour record to worry about. The market, however, has nothing to fear since even £3m. produces earnings of 31p for a p/e of 14 1/2 at 51p.

## First commercial radio station opens in 1973

BY ARTHUR SANDLES

BRITAIN'S first commercial radio station will be on the air in 1973. The Sound Broadcasting Ltd. publication last night indicates that the precise form of U.K. local independent radio is still very much in the hands of the Independent Broadcasting Authority, which has to decide on wavelengths, the number and location of stations, and ownership.

It is in the area of ownership that the Bill holds the most surprises. No limit is placed on multiple ownership of stations and there is no bar to networking of programmes, provided local content is maintained.

'Rolling' contracts The Bill does not set standard guidelines for radio, but since it is in essence an amendment to the 1964 Television Act, radio will be under the same quality control as commercial television. Contracts will be on a three-year "rolling" basis with franchisees losing the area if they misbehave and ignore IBA warnings.

The fact that the latest U.S. growth phase failed to produce an expansion in internal demand large enough to prevent increased foreign penetration of the home market generating major embarrasements for home producers can be seen as an indication that we may now be coming up to that point. So can the deep concern which the Nixon Administration's decision to rush to the defence of the home side with an import surcharge and devaluation of the dollar has sparked off elsewhere.

Japan's worry It is understandable that the Japanese should have been quick off the mark in putting forward the idea that a concerted effort should now be made to prevent competition for export outlets producing an all-out war during the next phase of world trade growth. For one thing, they have already gained a certain amount of experience with the "orderly marketing" method of keeping on good terms with their trading partners. For another, the American measures will have a particularly marked impact on their exports.

Then again, the Japanese population has not moved at the speed that might have been hoped to turn the country's spectacular economic progress to account for raising its living standards. So a fast growth momentum can only be maintained, while waiting for it to catch on, by continuing to put a big emphasis on exports.

Above all, the "orderly approach" to their economic problems has served the Japanese so well at home that it is not unnatural that they should think in terms of trying to get the rest of the world to take an interest in it as means of warding off an international trade war that could have damaging effects all-round.

Free trade The idea that countries should reach understandings not to tread on one another's toes is manifestly foreign to industrial communities like our own that have been encouraged to believe that the greatest good lies in engaging in the freest competition with no holds barred that they will want to examine it carefully. And so, indeed, they should do. After all, it is arguable that, even when operated with the best intentions, such arrangements are capable of working against the public interest, while the possibility that the intentions will not always be worthy has also to be taken into account.

On the other hand, if there is one thing that emerges clearly from the recent turn in world economic affairs, it is that the classical free trade argument that every country should produce only what it can produce most efficiently has only a limited acceptance for practical purposes in the world of today. If a certain amount of protectionism has to be accommodated, as it seems to be, the sensible thing to do is to consider all possible ways of limiting its more harmful effects. Japan's "orderly marketing concept" idea is clearly one with obvious appeal.

Commercial radio will not face the prospect of an advertising levy. Built into the Bill is a system for a justifiable retail payment to the IBA which, if profits were regarded as excessive, the Authority would be required to increase and pay surplus funds to the Exchequer. This might be seen as an indication that similar techniques could be applied to television.

Sponsorship of programmes is not to be allowed. This includes the system of "patron" advocated by Mr. Hugh Green. Advertising will have to be in the form of "spot" advertisements, in the same way as is done on television at the moment.

The IBA, which might take on 150 extra staff to deal with the job, will be lent £2m. by the Government to start the network. It will almost certainly start with stations in London, Birmingham, Manchester, Glasgow, Swansea and Belfast, as well as one or two quite small centres, to see how things go. Estimates of local radio operating costs and revenues vary tremendously.

Already the first public postures on franchise applications have been made. Network Broadcasting, representing a consortium which will include a very large number of local weekly newspapers in the London area and a merchant bank and institutional funds, said it would be bidding for a station in London.

This move will doubtless be the first of many. One of the prime targets will be the London news station which could well form the basis of a networked commercial radio news service. However, the decision to allow networking of other programmes opens the possibility of much more sophisticated programme-making techniques than had at one time been considered. It could quite well lead to the growth of very strong stations

which build a reputation for good programme production and also levy. Built into the Bill is a system for a justifiable retail payment to the IBA which, if profits were regarded as excessive, the Authority would be required to increase and pay surplus funds to the Exchequer. This might be seen as an indication that similar techniques could be applied to television.

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## 2 Lonrho S. Africa men cleared

By Bridget Bloom, Africa Correspondent

CHARGES against Lonrho South Africa's managing director, Mr. Sydney Newman, and the company's financial manager, Mr. Mortimer Raath, have been withdrawn. The prosecution had alleged that the two men had contravened a section of the Companies Act dealing with unauthorised loans to directors. They were detained in Johannesburg in September.

In a statement issued in London, Lonrho said the charges had been withdrawn "as it was obvious that no offence had been committed." The question of further action was now in the hands of attorneys acting for the two men, the statement added.

In Johannesburg, after the case was dismissed, an order was made by the magistrate that the fingerprints of the two men taken after their arrest should be destroyed.

Another case involving Lonrho in South Africa is due to be heard on November 30. It is a case separate from yesterday's dismissed case and involves a British director of Lonrho, Mr. Frederick Butcher, who is now on bail following his arrest in September, and two directors of companies associated with Lonrho in South Africa, Mr. Kenneth Scheepers, and Mr. Kenneth Scheepers, are also on bail together with Mr. Butcher are charged with fraud.

Rumour of new bidder causes THF flurry

SHARES in Trust Houses Forte, the hotels and catering group, jumped 13p to 147p at one stage yesterday on rumours that another potential bidder had made an appearance following the withdrawal of Allied Breweries last week.

Turnover in the shares had not been very great and after a spokesman commented: "There have been no approaches" the price eased back to end the day at 144p.

Warning to R-R workers

## Clydebank yard: study of uses

BY JAMES McDONALD, SHIPPING CORRESPONDENT

MR. JOHN DAVIES, Secretary of Trade and Industry, told the Commons yesterday that he had commissioned a study by PA Management Consultants of the possible industrial uses of the Clydebank yard, a member of the bankrupt Upper Clyde Shipbuilders group and a non-member of the new proposed Govan Shipbuilders company.

As the situation stands at the moment, the Govan and Linthouse yards of UCS will be absorbed into the new Govan Shipbuilders company, with the Charles Connell yard having an outside chance to join the company. The Clydebank yard—old John Brown yard—is a rank outsider.

Mr. Davies said that the investigation by the consultants—whose report is expected early next year—would be on the basis of the possible industrial uses to which the resources of the Clydebank yard might be put so as best to provide employment on a viable basis.

A statement by PA Management Consultants last night said: "The objective of the consultants' study, made with the agreement of the liquidator of UCS is to provide the maximum of useful information and advice to the liquidator and to potential buyers or developers of the yard."

No special payment would be provided by the Government, said Mr. Davies' announcement, but the Government would be prepared to offer all the normal benefits under the local employment Acts to any interested enterprise that would take over the shipyard.

Mr. Davies, departing perhaps slightly from his "lame duck" creed, also announced in the Commons that Cammell Laird and Company (Shipbuilding and Engineering)—the Mersey shipbuilders—is to be given a "stand-by" financial facility of £3m. over the course of the next year or two.

In August this year a new top management was appointed for Cammell Laird (Shipbuilders), headed by Mr. Graham Day, a Canadian. The company was hived-off from the rest of the Cammell Laird group, now known as the Laird Group—in a Government rescue operation over a year ago. Its shares are held 50-50 by the Public Trustee and by the Laird Group.

## 2 Lonrho S. Africa men cleared

By Bridget Bloom, Africa Correspondent

CHARGES against Lonrho South Africa's managing director, Mr. Sydney Newman, and the company's financial manager, Mr. Mortimer Raath, have been withdrawn. The prosecution had alleged that the two men had contravened a section of the Companies Act dealing with unauthorised loans to directors. They were detained in Johannesburg in September.

In a statement issued in London, Lonrho said the charges had been withdrawn "as it was obvious that no offence had been committed." The question of further action was now in the hands of attorneys acting for the two men, the statement added.

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Weather

U.K. 10-DAY

Scotland and Northern Ireland will have rain at times, though Eastern Scotland will have sunny spells. Clearer conditions will spread to most parts during the evening. Northern England and North Wales will be dry, with variable cloud at first, but will spread to most places in the day. Central and Southern England and South Wales will dry with sunny spells after clearance of early fog patches, chiefly in Southern England. Southern areas but near normal temperatures in the North.

London, S.E. Cent. S. E. and S.W. England, S. Wales, E. and W. Midlands, S. Wales. Dry, early fog patches follow by sunny spells. Wind S.W. increasing moderate. Max. 15°C (59°F).

N. Wales, N.W. Cent. N. England, Lakes, E. and W. Midlands, S. Wales. Rather cloudy some rain in Wind S.W. rain, perhaps later. Max. 15°C (59°F).

Borders, Edinburgh, E. Scotland, Dundee. Sunny spells early, becoming cloudy with rain. Wind S.W. or strong, perhaps gale at times. Max. 10°C (50°F).

N. Ireland, N.W. and S.W. Scotland, Glasgow, Argyll, Cent. Highlands. Cloudy, rain at times. Clear by evening. Wind S.W. strong, perhaps gale veering W. in Max. 11°C (52°F).

Cairnness, Orkney, Shetland. Showers followed by more, sistent rain. Wind S.W. fresh strong, perhaps gale. Max. 10°C (50°F).

Outlook: Rain or show spreading from the North, areas. Becoming colder, the late.

Lighting-up: London, 1740

BUSINESS CENTRES

City	Day	Time	City	Day	Time
Amsterdam	C	14	Manila	C	14
Antwerp	C	14	Medan	C	14
Batavia	C	14	Mexico City	C	14
Bombay	C	14	Moscow	C	14
Buenos Aires	C	14	Mumbai	C	14
Cairo	C	14	Nairobi	C	14
Calcutta	C	14	Osaka	C	14
Cardiff	C	14	Paris	C	14
Cebu	C	14	Rangoon	C	14
Colon	C	14	Seoul	C	14
Copenhagen	C	14	Singapore	C	14
Dakar	C	14	Taipei	C	14
Damascus	C	14	Tokyo	C	14
Delhi	C	14	Yokohama	C	14
Dhaka	C	14			
Dublin	C	14			
Frankfurt	C	14			
Geneva	C	14			
Hankow	C	14			
Hong Kong	C	14			
Kobe	C	14			
London	C	14			
Luxembourg	C	14			
Madrid	C	14			

HOLIDAY RESORTS

City	Day	Time	City	Day	Time
Algeria	C	14	Jersey	C	14
Algiers	C	14	Las Palmas	C	14
Athens	C	14	London	C	14
Batavia	C	14	Luxor	C	14
Bombay	C	14	Malaga	C	14
Buenos Aires	C	14	Malta	C	14
Cairo	C	14	Nairobi	C	14
Calcutta	C	14	Osaka	C	14
Cardiff	C	14	Paris	C	14
Cebu	C	14	Rangoon	C	14
Colon	C	14	Seoul	C	14
Copenhagen	C	14	Singapore	C	14
Dakar	C	14	Taipei	C	14
Damascus	C	14	Tokyo	C	14
Delhi	C	14	Yokohama	C	14
Dhaka	C	14			
Dublin	C	14			
Frankfurt	C	14			
Geneva	C	14			
Hankow	C	14			
Hong Kong	C	14			
Kobe	C	14			
London	C	14			
Luxembourg	C	14			
Madrid	C	14			

TWA  
announces  
a non-stop 747  
to Los Angeles.

Leaves London daily-13.00.



We'll give you a choice of two meals in economy, five meals in first class. Then, to help eat away the flying time, we'll offer you a selection of two main feature films and stereo music. Afterwards, if you travel first class, you can choose your company in either of our two lounges. Ask any travel agent.

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